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City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

Daniel Lynch
Finance Director

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City of Dover, New Hampshire
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

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Prepared by:
The Finance Department

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Daniel Lynch
Finance Director

**City of Dover, New Hampshire
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008**

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INTRODUCTORY SECTION

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City Manager

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City of Dover, New Hampshire OFFICE OF THE CITY MANAGER

January 23, 2009

To the Honorable Mayor and members of the City Council:

City Charter Section C6-12, Independent Audit, requires an annual independent audit of all City accounts at least annually. This report, including the opinion of the independent auditor, is published to fulfill that requirement for the fiscal year ending June 30, 2008.

This report consists of the management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Melanson Heath & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ending June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unqualified opinion that the financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of Government

Geography. Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire. The City of Dover occupies an area of 29 square miles and serves a population of 26,884, based on the 2000 Census.

The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855. The City Charter in effect for the first half of the fiscal year 2006 was adopted on March 9, 1977. The second half of the fiscal year was governed by a new charter passed on November 8, 2005 and effective January 1, 2006. Only minor changes were made versus the old charter. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.

Services. The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution, wastewater collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

Governing Boards. The City Council, consisting of nine members, is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six year capital program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by

state statute to levy property taxes on real property located within its boundaries to fund operations.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority for the School Department budget. The seven member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

Administration. Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, compliance with State and Federal laws, for overseeing the day-to-day operations of the government, for appointing the heads of the various departments, for negotiating with the various bargaining units of the City and making recommendations to the City Council on various issues.

Administrative functions of the dependent School district are carried out by the School Board. The Board is responsible for carrying out policies and procedures, compliance with State and Federal laws, overseeing the day to day operations of the dependent School district, negotiating with the various bargaining units, making appointments of school personnel, establishing curriculum and addressing various issues.

Fiscal Year and Budget. The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$10,000 or more for items with useful lives of 3 years or longer are included in this budget. Based on City Council financing policy, items are identified for bonding, annual operating budget or other type of financing.

Items identified for the annual operating budget are included in the next City Manager's recommended annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his recommended budget. The City Manager's recommended annual budget for the next fiscal year, which includes the School Board request, is due to the City Council by April 15th of each year.

The City Council may add to, or cut from, the Manager's recommended annual budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's recommended budget takes effect July 1.

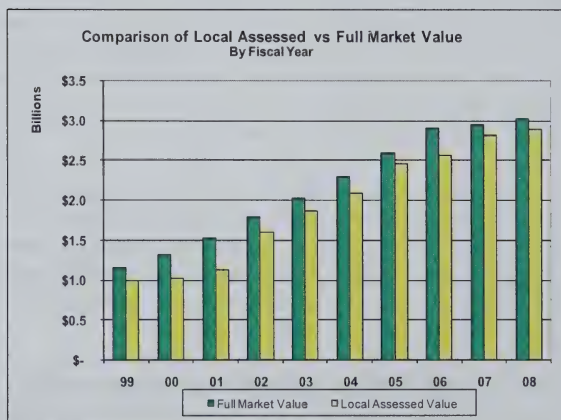
After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

Factors Affecting Financial Condition

Local Economy. The local economic environment over the first half of fiscal year 2008 remained relatively sound despite the difficulties being experienced in the overall national economy. During the second half of fiscal year 2008 and into the first half of fiscal year 2009 the local economy showed signs of stress and contraction. Economic development activities in the City have supported existing business retention while also simultaneously attracting new business opportunities in various sectors including healthcare, restaurant and lodging, retail and service industries. This activity coupled with generally stable financial trends in the City's municipal operations has allowed for a slow contraction to the local economy due to the impact of recessionary pressures that have become evident elsewhere in the country.

Economic measures indicative of the health of the local and regional economy are moderating as economic measures decline elsewhere in the country. At mid fiscal year 2008, the New Hampshire total Gross Domestic Product (GDP) was \$57.3 billion, an increase of 2.3 percent from the prior year. This compares to a State-wide GDP that had grown 4.9 percent from mid fiscal year 2007, and 4.0 percent at mid fiscal year 2006. This growth has been curbed during the second half of fiscal year 2008 and the first half of fiscal year 2009. High spikes in energy costs and financial instability in the credit markets started to impact the local economy as indicative of certain financial trends.

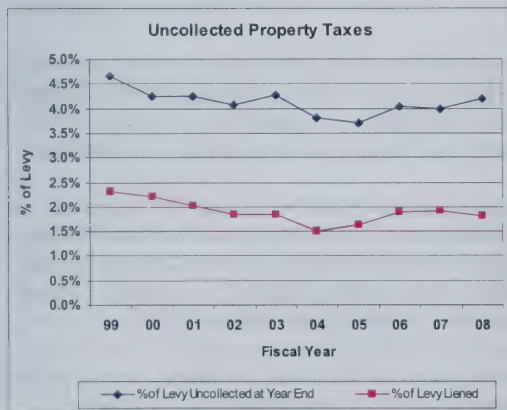
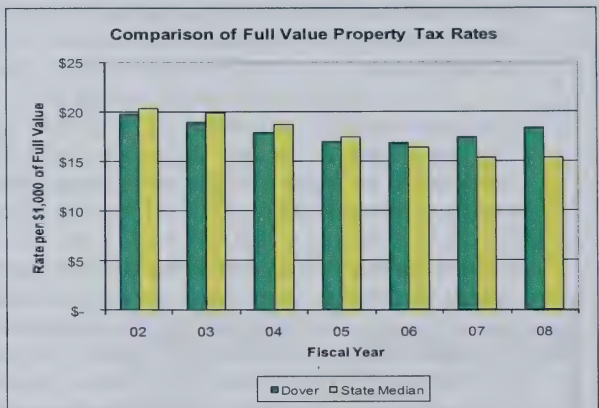
Full market value as determined by the NH Department of Revenue Administration increased 2.5% during the fiscal year. Assessed value as a ratio of full market value was 95.3%. In the second half of fiscal year 2008 the City's assessed property values started to show a softening in values with many residential properties demonstrating depreciation in values based on sales data. As of April 1, 2008 the City's overall residential assessed values demonstrated a 3.72% decline in value.



The recent difficulties in the national credit market have taken a toll on real estate activity throughout New England. While New Hampshire and Dover, in particular, are not immune, the level of decline in real estate transactions during the past year has been one of the smallest in New England. The real estate sales activity in Dover for FY08 was 781 transactions versus 977 for FY07. This level of activity represents transfers of 8.0%

of taxable parcels during FY08 down from 10.2% in FY07. In FY08 foreclosure activity was on the rise with 42 foreclosures recorded at the Strafford County Registry of Deeds, this activity represented over a 100% increase in foreclosure activity over FY07. In conjunction with this activity, the number of taxable parcels increased from 9,552 in FY07 to 9,685 in FY08, a 1.4% increase. This increase in taxable parcels in combination with a slowed appreciation of property values has resulted in the equalized property value per capita increasing from \$101,313 for FY07 to \$103,658 for FY08, up 2.3% for the fiscal year. Recent sale analyses support indications of a depreciation of property values for the current year as of April 1, 2008 (FY09).

The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the mid point of all rates in the State. Because Dover remains approximately at the median, this means that about half of the tax rates in the State are higher than Dover's and about half are lower. This is a good measure of tax burden as all municipal assessed values are brought to full market value and tax rates equalized.



The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2008 remained steady at 4.2% as compared to 4.0% in FY07 (actual amount increasing from \$2.04 million to \$2.31 million). There were 295 parcels from the current tax levy with outstanding taxes that had a lien placed, down from 353 last year. The number of delinquent parcels decreased by 16.4%, however, the dollar amount of the liens remained steady at 1.8% of the tax levy.

With the conclusion of the 2008 fiscal year, the labor force for the Dover region, unadjusted, was 57,700 strong, an increase of 2,000 or 3.5 percent from the prior fiscal year end. Included within these numbers, was a resident Dover labor force of 18,240 increasing by an even higher percentage of 3.9 percent from the prior fiscal year. The annual average for unemployment here in Dover for 2008 was 3.5%. This level is 0.2% above the 2007 local level and remains below both the State and U.S. averages of 4.0% and 5.7% respectively. Meanwhile, the demand for general welfare assistance to local residents during the fiscal year ending in 2008 saw an 11.1% increase. This increase in assistance being the result of assistance requests in the second half of FY08.

The number of motor vehicle permits decreased slightly to 29,840 in FY08 as compared to 30,247 in FY07. The number of building permits decreased from 522 in FY07 to 398 in FY08 and the average permit value decreased from \$142,140 to \$134,357.

Despite a slowing in residential development in Dover and across the country, the City saw continued commercial growth during fiscal year 2008. Planning efforts have continued in anticipation of future residential and multi-use development projects being undertaken.

The commercial activity generated by the Liberty Mutual construction project and related off-site improvements in the area of Indian Brook Drive located in the North-end of the City, has continued and expanded during the past year. A popular local restaurant chain has constructed a new facility and opened adjacent to a soon to be completed long term stay hotel. Also in the area, a 100,000 sq ft office building housing new medical offices related to Wentworth Douglas Hospital is nearing completion and a new inter-city bus terminal conveniently linking area residents to Logan Airport and Boston-area employment opportunities has been constructed and is now operating.

Along the Sixth Street corridor just south of the Liberty Mutual campus, a new fire station has been constructed to improve response times to the North-end of the City and house the administrative offices for the Fire Department and the City's Inspection Services function. The fire station became operational in November of 2008.

Further north of the Liberty campus, construction of an Alzheimer's residential care facility is currently underway and a proposed new 75,000 sq ft retail complex has been presented. Also in the area, arrangements are underway to construct a new office and distribution facility for a children's clothing manufacturer.

In the downtown area, the Children's Museum of NH, has completed renovating the 20,000 square foot Butterfield Building and is now operational. The Museum's activities have far surpassed original expectations in terms of attendance. Visitors have added a family oriented vitality, provided new business opportunities and increased customer traffic within the City's central business district.

In the past year, several small retail establishments have successfully established themselves throughout the downtown including an Italian deli, a coffee house, an electronic photo processing facility, a children's educational/toy store and a women's clothing store.

To further expand the downtown, efforts to redevelop the Cochecho Waterfront parcel continue. Site and building design requirements to be followed by the selected developer continue to be negotiated. The \$75 million privately financed project includes commitments to construct high end residential condominium units, more than 30,000 square feet of new retail and office space, boating facilities and a restaurant along the riverfront over the course of the next 5 to 10 years.

Other development activities underway include construction of a new Centrix Bank office in the downtown area, the renovation of a previously vacant manufacturing facility for the relocation and expansion of a local electronics component manufacturer, the opening of an executive office facility with shared office suites.

Financial Position. The City's General Fund ended Fiscal Year 2008 with an increase to its Undesignated Fund Balance of \$515,983 to \$5.58 million. The General Fund undesignated fund balance at June 30, 2008 was 6.98% of the FY09 budget (6% is the minimum requirement of the City Financial Policies). The Water and Sewer Funds saw decreases in their unrestricted net assets by \$617,814 and \$2,078,969 to \$0.2 million and \$0.8 million, respectively. The Arena Fund unrestricted net deficit increased by \$29,925 to \$2.4 million. The City continues efforts to balance the fund, including scheduled fee increases.

Unreserved Net Assets		
Fund	FY07	FY08
General	5,068,952	5,584,935
Water	852,301	234,487
Sewer	2,927,444	848,475
Arena	(2,375,388)	(2,405,313)
Total	6,473,309	4,262,584

The liquidity of the General, Water and Sewer Funds is good. This is based on the quick ratio which is a measure of current asset (excluding inventories) divided by current liabilities. A ratio of 1 is considered satisfactory. The General Fund had a quick ratio of 1.79 with Water and Sewer Funds of 0.78 and 1.74, respectively.

The amount of debt incurred by the City remains below the State statutory limits as set forth in RSA 33:4-a for the City and School District, and RSA 33:5-a for the Water Fund. There is no statutory debt limit for the Sewer Fund. The State statutory limit for the City is 3% of Base valuation as determined by the New Hampshire Department of Revenue Administration (NH DRA), the statutory limit for the School District is 7% of Base valuation as determined by NH DRA, and the statutory limit for the Water Fund is 10% of base valuation as determined by NH DRA. As of June 30, 2008 the City had utilized 56.0% of its statutory debt limit, the School District utilized 14.6% of its statutory debt limit, and the Water Fund had utilized 3.9% of its statutory debt limit.

The City Council established self-imposed policy limits that are significantly lower than those set by State statute. As of June 30, 2008 the percent of the City's more conservative debt policy used was 86.2%, the School was 97.4%. General Fund net debt per capita is at \$2,280, an amount considered reasonable for a municipality the size of Dover. The General Fund's net debt to equalized value remained is 2.88%. The General Fund's net debt service as a percent of budget is 11.4%. Although this measure is higher than the 8% recommended by policy, it is partially as a result of a higher rate of debt pay down resulting in a favorable reduction in the cost for debt. Pay down of General Fund debt over the next 10 years is at 73.0%, above the 65% suggested by policy and is considered aggressive by credit agencies.

The Water and Sewer funds also remained within the City Council self-imposed policy limits with 78.7% and 25.1% used respectively. Water and Sewer debt represents 56.6% and 21.6% of the capital assets. Net debt service to budget in the Water Fund is 23.7% and 29.8% within the Sewer Fund, within the 40% set by policy.

Condition Summary. A well diversified business and job base in Dover and throughout the surrounding communities has contributed to a tempered economic impact being experienced in the community, as compared to national trends.

Although the majority of the City's economic and financial indicators have slowed in growth over the past few years, many remain positive. With the recessionary concerns appearing throughout the country, changes in indicators continue to be monitored and actions taken to preserve the City's economic and financial position. Although energy and credit markets are of major concern, current measures and trends at the local level suggest a slow level of contraction in activity.

Meanwhile, the financial position of the major funds of the City are considered healthy and the continuing cash deficit in the Arena Fund is proposed to be eliminated in the coming fiscal year. Proactive financial management efforts continue to grow reserves in the City's General Fund, invest in capital needs of the community, while simultaneously prioritizing funding and preserving core municipal services.

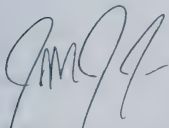
Acknowledgements

This report continues to refine the financial reporting of the City. It is the fifth year the City has produced a comprehensive annual financial report (CAFR). This report includes the implementation of Governmental Accounting Standards Board's Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions. An actuarially determined liability of the City cost of medical benefits provided to retirees, and employees that will be eligible to receive such benefits upon retirement of the City, is incorporated into the financial statements and the footnotes.

The City received the Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2004, 2005, 2006 and 2007 CAFR. This recognizes the City's Finance Department's efforts for full disclosure of the financial information of the City. A CAFR is a much more detailed reporting of the City's finances, as well as providing historical information in the statistical section of this report. The Certificate of Achievement is valid for a period of one year only. The City believes that the current CAFR continues to meet the Certificate of Achievement Programs' requirement and it will be submitted to the Government Finance Officer's Association to determine its eligibility for another certificate.

The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

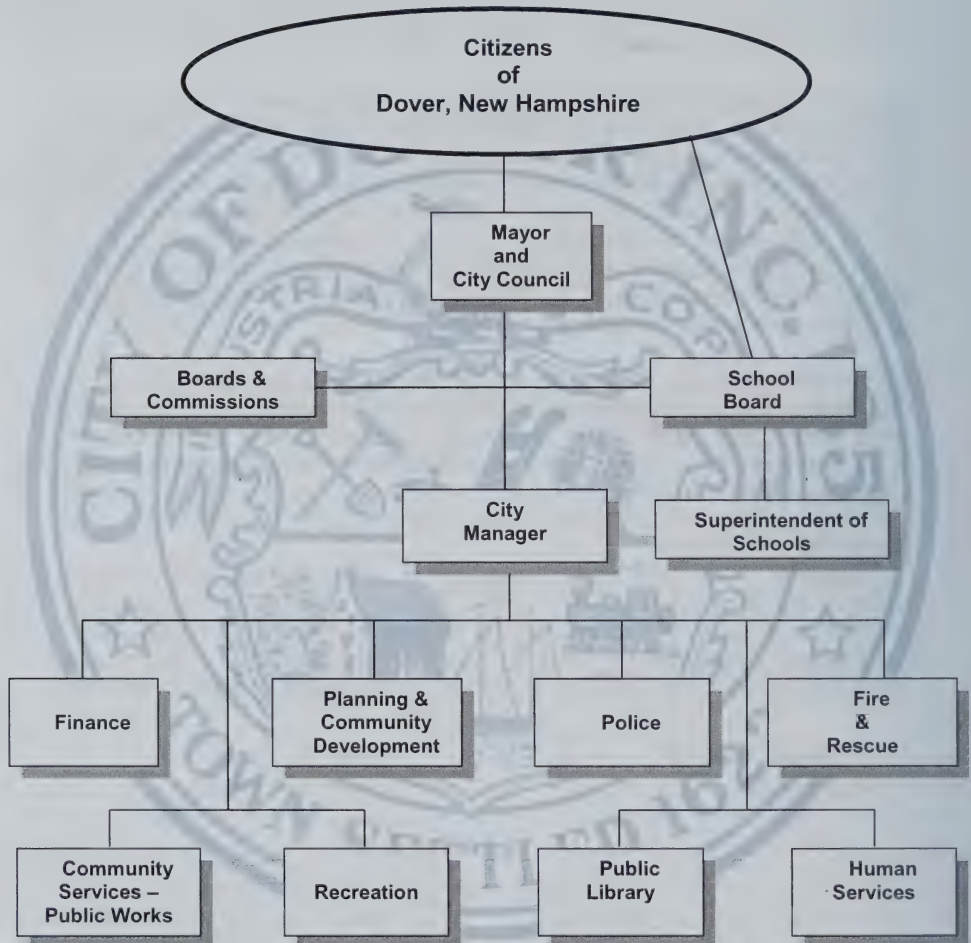


J. Michael Joyal, Jr.
City Manager



Daniel R. Lynch
Finance Director

City of Dover Organizational Chart





City of Dover

New Hampshire

City Council Members

Mayor: Scott Myers

Ward 1: Robert Carrier
Ward 2: Douglas Dede
Ward 3: David Scott
At Large: Karen Weston

Ward 4: Dean Trefethen
Ward 5: Catherine Cheney
Ward 6: Richard P. Callaghan
At Large: Steven McCusker

City Manager

J. Michael Joyal, Jr.

City Departments

Finance
Planning
Police
Fire and Rescue
Community Services
Recreation
Public Library
Human Services

Daniel R. Lynch
Christopher G. Parker
Anthony F. Colarusso, Jr.
Perry Plummer
Douglas W. Steele II
Gary Bannon
Cathy Beaudoin
Janet A. Poulin

School Board

Ward 1: Beth Setear
Ward 2: Britt Ulinski Schuman
Ward 3: Carolyn J. Mebert
Ward 4: Dorothea Hooper

Ward 5: Audra Lurvey
Ward 6: Marjorie Fisher
At Large: Doris Grady

Superintendent of Schools

Dr. John E. O'Connor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dover
New Hampshire

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Egan

Executive Director

FINANCIAL SECTION



Melanson Heath & Company, PC

Certified Public Accountants
Management Advisors

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Nashua, NH 03063-1301
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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Dover, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Dover's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, appearing on the following pages, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement

Additional Offices:

and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Dover, New Hampshire's basic financial statements. The introductory section, supplementary statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2009 on our consideration of the City of Dover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
January 23, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2008. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$117,828,398 (i.e., net assets), an increase of \$3,169,397 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, total of assets of governmental activities exceeded liabilities by \$62,764,686 (i.e., net assets), an increase of \$2,987,986 in comparison to the prior year.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$55,063,712, an increase of \$181,411 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$25,128,505, a decrease of \$10,134,185 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,584,935, an increase of \$515,983 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$99,154,139, a decrease of \$9,269,007 in comparison to the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dover's basic financial statements. The basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or

decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water, sewer, arena, and Dover Business and Industrial Development Authority (DBIDA) activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for both funds to demonstrate compliance with these budgets.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water, sewer, arena and DBIDA operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, arena, and DBIDA operations, all of which are considered to be major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by accounting principles generally accepted in the United States of America.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$117,828,398, an increase of \$3,169,397 from the prior year.

Financial Position. The following is a summary of condensed government-wide financial data of net assets for the current and the prior fiscal years.

NET ASSETS						
Amounts presented in 000s						
	Governmental Activities		Business-Type Activities		Total	
	2007	2008	2007	2008	2007	2008
Current and Other Assets	\$ 45,248	\$ 35,120	\$ 19,235	\$ 16,694	\$ 64,483	\$ 51,814
Capital Assets	113,751	123,106	68,056	68,511	181,807	191,617
Total Assets	\$ 158,999	\$ 158,226	\$ 87,291	\$ 85,205	\$ 246,290	\$ 243,431
Long-term Liabilities	\$ 91,803	\$ 88,457	\$ 31,650	\$ 28,806	\$ 123,453	\$ 117,263
Other Liabilities	7,419	7,005	759	1,335	8,178	8,340
Total Liabilities	\$ 99,222	\$ 95,462	\$ 32,409	\$ 30,141	\$ 131,631	\$ 125,603
Net Assets:						
Invested in Capital Assets	\$ 57,412	\$ 60,503	\$ 49,735	\$ 51,472	\$ 107,147	\$ 111,975
Restricted	221	706	3,620	5,630	3,841	6,336
Unrestricted	2,144	1,555	1,527	(2,038)	3,671	(483)
Total Net Assets	\$ 59,777	\$ 62,764	\$ 54,882	\$ 55,064	\$ 114,659	\$ 117,828

By far, the largest portion of net assets, \$111,974,297 or 95.0 percent, reflects our investment in capital assets (e.g., land, buildings, machinery and equipment), less depreciation and any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$6,336,777 represents resources that are subject to external restrictions on how they may be used. The remaining net balance represents unrestricted net assets and at the end of the fiscal year is a deficit of \$482,676.

The unrestricted net asset balance consists of \$1,555,309 for governmental activities and a deficit of \$2,037,985 for business-type activities. The governmental activities net assets include the reflection of major liabilities of the Tolend Road Landfill mitigation of \$6,263,966, compensated absences of \$3,144,806 and other post employment benefits (OPEB) of \$7,344,315.

The \$6,263,966 for Tolend Road Landfill liability represents the mitigation costs and the post mitigation maintenance and monitoring costs. There has been no change in this liability from the prior year. The City anticipates the mitigation costs to be financed with long-term debt which is included in the City's six year Capital Improvements Program. The maintenance and monitoring costs are expected to be financed within the annual operating budget, as needed.

The \$3,144,806 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is an increase of \$338,889 from the prior year. The City has funded \$513,658 of the liability.

The \$7,344,315 OPEB liability represents the implementation of Governmental Accounting Standards Board (GASB) Statement No. 45. The purpose of the statement is to reflect the liability of health care or other post employment benefits provided to separated or retired employees. The portion of the liability reflected in the Financial Statements is the initial three years of a 30 year amortization of the total liability. City employees hired before specific dates may receive all or part of their health care benefits paid for by the City. City employees hired after the cut-off date are eligible on a self pay basis only but impact the premiums of the health plans of all City employees. School employees are self pay basis only but impact the premiums of the health plans of all School employees. The table below shows the number of eligible individuals involved in the calculation for both the City and School and the average total liability.

Group	Eligible Employees and Retirees	Average Total Liability per Person
City	302	\$134,080
School	419	5,197
Combined	721	\$139,277

Please refer to the Financial Statement footnote 19 and Required Supplemental Information for more on the OPEB liability.

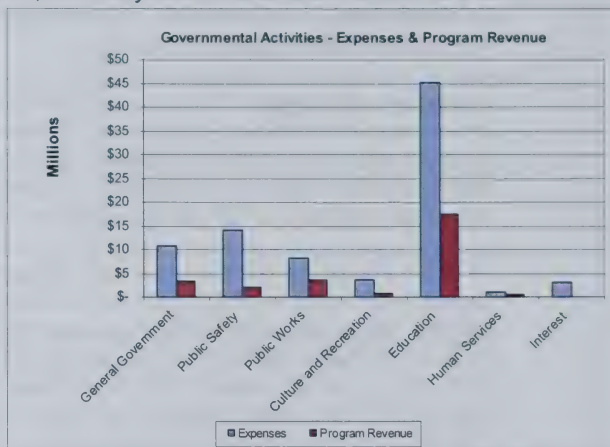
Financial Results. The following is a summary of condensed government-wide financial data of changes in net assets for the current fiscal and prior fiscal years.

CHANGE IN NET ASSETS						
Amounts presented in 000s						
	Governmental Activities		Business-Type Activities		Total	
	2007	2008	2007	2008	2007	2008
Revenues:						
Program revenues:						
Charges for services	\$ 18,876	\$ 20,324	\$ 8,877	\$ 9,847	\$ 27,753	\$ 30,171
Operating grants and contributions	7,100	6,582	-	-	7,100	6,582
Capital grants and contributions	971	1,027	552	241	1,523	1,268
General revenues:						
Property taxes	52,129	55,835	-	-	52,129	55,835
Motor vehicle registration	3,927	3,803	-	-	3,927	3,803
Penalties and interest on taxes	16	25	-	-	16	25
Investment income	1,812	1,110	87	106	1,899	1,216
Other	447	209	-	-	447	209
Total Revenues	85,278	88,915	9,516	10,194	94,794	99,109
Expenses:						
General government	9,584	10,848	-	-	9,584	10,848
Public safety	13,974	14,091	-	-	13,974	14,091
Public works	8,381	8,290	-	-	8,381	8,290
Culture and recreation	3,656	3,468	-	-	3,656	3,468
Education	42,505	45,032	-	-	42,505	45,032
Human services	1,445	1,100	-	-	1,445	1,100
Interest on long-term debt	2,813	3,099	1,435	1,365	4,248	4,464
Water operations ⁽¹⁾	-	-	2,857	2,908	2,857	2,908
Sewer operations ⁽¹⁾	-	-	4,341	4,448	4,341	4,448
Arena operations ⁽¹⁾	-	-	1,332	1,291	1,332	1,291
DBIDA operations	-	-	10	-	10	-
Total Expenses	82,358	85,928	9,975	10,012	92,333	95,940
Change in Net Assets	2,920	2,987	(459)	182	2,461	3,169
Net Assets - beginning of year	56,857	59,777	55,341	54,882	112,198	114,659
Net Assets - end of year	\$ 59,777	\$ 62,764	\$ 54,882	\$ 55,064	\$ 114,659	\$ 117,828

⁽¹⁾ Excludes interest on long-term debt reflected separately.

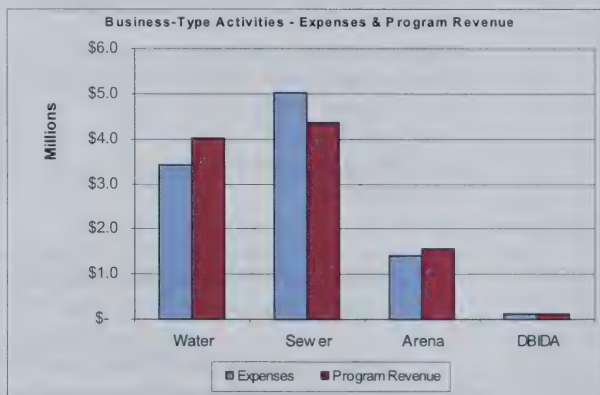
Governmental activities. Governmental activities for the year resulted in an increase in net assets of \$2,987,986. Key elements of this increase are as follows:

- The change in net assets consists mainly of capital grants and contributions and other current revenues used to acquire capital assets less the increase in our OPEB liability.



Business-Type Activities. Business-type activities for the year resulted in an increase in net assets of \$181,411 or .3%. Key elements of this change are as follows:

- The Water Fund increased net assets by \$633,530 or 3.9%. This consists mainly of debt service principal payment exceeds depreciation expense and operating expenses being \$142,422 lower than budget.
- The Sewer Fund had a decrease in net assets of \$594,600 or 1.5%. The change primarily results from depreciation expense exceeding debt principal payments.
- The Arena Fund had an increase in net assets of \$142,541 due mainly to debt service principal payments exceeding depreciation.



D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

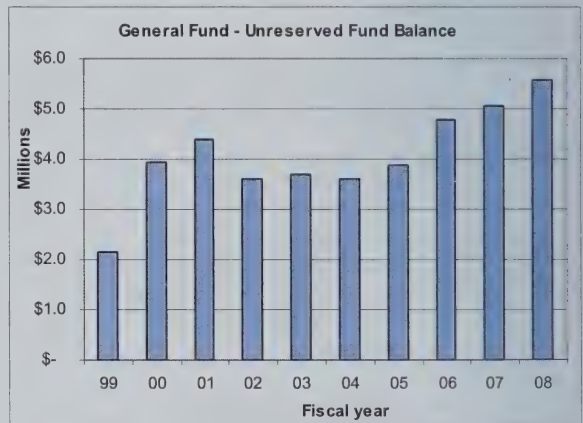
As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$25,128,505, a decrease of \$10,134,185 in comparison with the prior year. Most of this decrease was attributable to a net Capital Projects decrease of \$10,165,355 and net increase of the General Fund of \$438,460. The net Capital Projects decrease is the result of expenditures of \$10,241,267 when financing sources were issued in the prior year. The General Fund change consists of an increase in the unreserved fund balance of \$515,983 and a decrease in reserved balances of \$77,523.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,584,935, while total fund balance was \$9,533,004.

As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.98 percent of total general fund appropriation for fiscal 2009, while total fund balance represents 11.9 percent of that same amount.



The unreserved fund balance of the general fund increased by \$515,983, or 10.2%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance of \$1,611,896 from net financing sources exceeding budget estimates, consisting of \$485,256 of revenues in excess of budget estimates and \$1,126,640 of unencumbered appropriations. The excess revenue consists mainly of \$484,262 excess investment income revenue. The unencumbered appropriations consisted mainly of \$278,409 for General Government, \$143,351 for Public Works and \$120,169 for

Police. The School Department unencumbered appropriations of \$476,976 offset a shortfall of \$434,954 in education revenue, due mainly to a loss in Tuition revenue.

- A decrease to fund balance of \$330,653 from an increase in uncollected property taxes.
- A decrease to fund balance of \$12,671 from the reserve for advances to the Arena Fund.
- A decrease to fund balance of \$433,151 from the reserve for advances to the McConnell Center Fund.
- A decrease to fund balance of \$340,159 for carryover appropriations reserved for future years capital outlay.

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to a deficit of \$2,037,985. This amount consists of the Water Fund of \$234,487, the Sewer Fund of \$848,475, the Arena Fund deficit of \$2,405,313 and the Dover Business and Industrial Development Fund (DBIDA) deficit of \$715,634.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget resulted in an overall increase in appropriations of \$211,570. Major reasons for these amendments include:

- \$48,377 for accepting and expending a grant for energy efficiency improvements to City facilities.
- \$163,193 for funding shortfall in estimate for interest payments for Debt Service as a result of the City's June 2007 bond issue.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Capital assets for governmental and business-type activities at year-end amounted to \$191,617,415 (net of accumulated depreciation), an increase of approximately \$9,810,958 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment. The following yearly comparison shows net fixed assets by category:

Capital Assets (000s)
(net of depreciation)

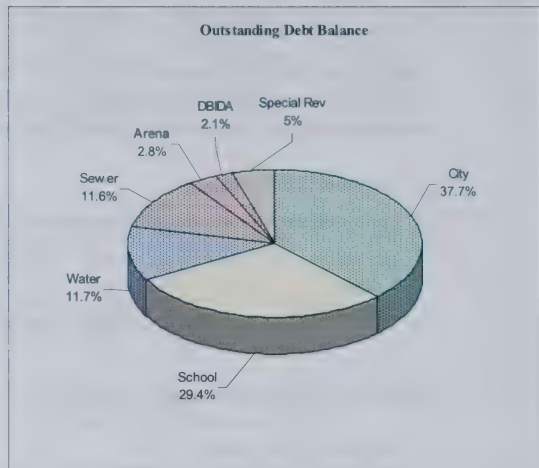
	Governmental Activities		Business-Type Activities		Totals	
	2007	2008	2007	2008	2007	2007
Land	\$ 13,306	\$ 13,668	\$ 2,037	\$ 2,037	\$ 15,343	\$ 15,705
Buildings and improvements	53,595	54,794	23,207	23,462	76,802	78,256
Machinery and equipment	9,903	9,042	4,738	4,450	14,641	13,492
Infrastructure	17,838	16,253	32,772	34,048	50,610	50,301
Construction in Progress	19,109	29,349	5,301	4,514	24,410	33,863
Total Assets	\$ 113,751	\$ 123,106	\$ 68,055	\$ 68,511	\$ 181,806	\$ 191,617

Major capital asset events during the current fiscal year included the following:

- The increase to Land of the governmental activities relates to the City's purchase of open space conservation land of \$361,898.
- The increase to Building and improvements of the governmental activities relates mainly to School improvements of \$548,477, City Hall and Library renovations of \$746,743, Shaws Lane Building improvements of \$125,100 and Butterfield Building improvements of \$633,750. These additions were offset by depreciation on older buildings and improvements.
- There were additions to Machinery and Equipment of the governmental activities for equipment and vehicles of \$88,333, books and collections of \$161,480. These additions were offset by depreciation on older equipment.
- The governmental activities infrastructure change includes an addition of \$585,787 in street and sidewalk improvement projects. These additions were offset by depreciation on older infrastructure.
- The governmental activities construction in progress relates mainly to \$9,023,690 for the Tolend Road Landfill hazardous landfill mitigation project, \$3,434,828 for the Cochecho River Dredge Cell project, \$7,838,276 for school improvements, \$5,969,971 for street improvements, and \$1,373,302 for the North End Fire Station.
- There were additions to business-type activities infrastructure improvements of \$1,226,846 related to Varney Brook Sewer Forcemain, and \$672,280 for Inflow and Infiltration Improvements.
- There was \$4,514,532 of business-type activities construction in progress at the end of the year mainly related to the Water Fund of \$2,532,859 in Bouchard Well and \$1,732,089 in Water Main Replacement.

Additional information on capital assets can be found in Note 9 of the Financial Statements.

Long-term debt. At the end of the current fiscal year, total long-term debt outstanding was \$99,154,139, a decrease of \$9,269,007 over the previous fiscal year end. All the long term debt was backed by the full faith and credit of the City except for the balance of an FY06 Dover Business and Industrial Development Authority flow through loan to a private firm from the New Hampshire Business Finance Authority of \$1,881,775.



Long-term Debt (000s)

	Governmental Activities		Business-Type Activities		Totals	
	2007	2008	2007	2008	2006	2007
General Obligation Bonds	\$ 76,730	\$ 70,599	\$ 31,100	\$ 28,047	\$ 107,830	\$ 98,646
Other Long Term Debt	593	508	-	-	593	508
Total Long-term Debt	\$ 77,323	\$ 71,107	\$ 31,100	\$ 28,047	\$ 108,423	\$ 99,154

During the fiscal year, the City did not issue general obligation serial bonds.

In August of 1999 the City received a bond rating upgrade from Moody's Investor Services to a Baa1. The City received a second upgrade to A3 in May 2001 and a third in June 2003 to A2. The City also received an upgrade to A2 from Moody's and a rating from Standard & Poor's of A+ in June 2003. Both ratings were sustained in June 2004. In June 2005 the City received dual rating upgrades to A1 from Moody's and AA- from Standard & Poor's. Both ratings were sustained in 2006 and reaffirmed in 2007. In November 2008, \$9,970,000 of general obligation bonds were issued. Moody's rating remained the same at A1. Standard & Poor's upgraded the City's rating to AA.

Additional information on long term debt can be found in Note 13 of the Financial Statements.

G. NEXT YEAR'S BUDGETS AND RATES

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

General Fund Budget		Increase		
	FY08	FY09	(Decrease)	% Change
City	\$ 29,264,198	\$ 30,204,820	\$ 940,622	3.2%
School	41,602,560	42,978,335	1,375,775	3.3%
County	5,922,221	6,772,323	850,102	14.4%
Total Budget	<u>\$ 76,788,979</u>	<u>\$ 79,955,478</u>	<u>\$ 3,166,499</u>	<u>4.1%</u>

The following table reflects the property tax levy amounts for each year.

Property Tax Levies		Increase		
	FY08	FY09	(Decrease)	% Change
City	\$ 19,974,876	\$ 20,343,274	\$ 368,398	1.8%
School - Local	22,735,976	24,296,444	1,560,468	6.9%
School - State	6,476,696	6,292,003	(184,693)	-2.9%
Total School	29,212,672	30,588,447	1,375,775	4.7%
County	5,872,169	6,722,271	850,102	14.5%
Total Tax Levy	<u>\$ 55,059,717</u>	<u>\$ 57,653,992</u>	<u>\$ 2,594,275</u>	<u>4.7%</u>

The following table reflects the property tax rates for each year. The tax rate is stated per \$1,000 of assessed value.

Property Tax Rates		Increase		
	FY08	FY09	(Decrease)	% Change
City	7.23	7.57	0.34	4.7%
School - Local	8.02	8.79	0.77	9.6%
School - State	2.31	2.31	-	0.0%
Total School	10.33	11.10	0.77	7.5%
County	2.07	2.43	0.36	17.4%
Total Tax Rate	<u>19.63</u>	<u>21.10</u>	<u>1.47</u>	<u>7.5%</u>

The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

Utility Funds	FY08	FY09	Increase (Decrease)	% Change
Water Fund	\$ 3,938,519	\$ 4,158,670	\$ 220,151	5.6%
Sewer Fund	5,518,186	5,575,072	56,886	1.0%
Total Utility Funds	<u>\$ 9,456,705</u>	<u>\$ 9,733,742</u>	<u>\$ 277,037</u>	<u>2.9%</u>

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

Utility Rates	FY08	FY09	Increase (Decrease)	% Change
Water Fund	3.53	3.75	0.22	6.2%
Sewer Fund	4.39	4.51	0.12	2.7%
Combined Rates	<u>7.92</u>	<u>8.26</u>	<u>0.34</u>	<u>4.3%</u>

Discussions of other financial and economic factors are included in the Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover
Municipal Building
288 Central Avenue
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

www.ci.dover.nh.us

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CITY OF DOVER, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 31,891,683	\$ 3,704,349	\$ 35,596,032
Investments	2,575,371	-	2,575,371
Receivables, net of allowance for uncollectibles:			
Property taxes	2,810,094	-	2,810,094
User fees	-	1,946,476	1,946,476
Departmental and other	793,136	-	793,136
Intergovernmental	952,513	939,352	1,891,865
Internal balances	(6,696,112)	6,696,112	-
Capital lease receivable	-	58,340	58,340
Inventory	81,914	319,883	401,797
Other assets	15,109	-	15,109
Total current assets	<u>32,423,708</u>	<u>13,664,512</u>	<u>46,088,220</u>
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	2,048,682	2,048,682
Loans	396,564	-	396,564
Internal balances	2,299,881	(2,299,881)	-
Investment in land	-	1,256,731	1,256,731
Capital lease receivable	-	2,023,717	2,023,717
Capital assets:			
Land and construction in progress	43,017,695	6,551,258	49,568,953
Other capital assets, net of accumulated depreciation	80,088,632	61,959,830	142,048,462
Total non-current assets	<u>125,802,772</u>	<u>71,540,337</u>	<u>197,343,109</u>
TOTAL ASSETS	158,226,480	85,204,849	243,431,329
LIABILITIES			
Current:			
Accounts payable	1,744,763	716,047	2,460,810
Accrued liabilities	2,829,135	214,059	3,043,194
Retainage payable	657,762	215,711	873,473
Due to fiduciary funds	1,549,494	-	1,549,494
Unearned revenue	-	189,100	189,100
Other current liabilities	223,480	-	223,480
Current portion of long-term liabilities:			
Claims liability	238,668	-	238,668
Bonds and loans payable	6,089,954	3,021,830	9,111,784
Compensated absences	147,192	158,213	305,405
Total current liabilities	<u>13,480,448</u>	<u>4,514,960</u>	<u>17,995,408</u>
Noncurrent:			
Claims liability, net of current portion	358,001	-	358,001
Bonds and loans payable, net of current portion	65,017,450	25,024,905	90,042,355
Compensated absences, net of current portion	2,997,614	-	2,997,614
OPEB liability	7,344,315	601,272	7,945,587
Liability for hazardous waste-site cleanup, net of current portion	6,263,966	-	6,263,966
Total non-current liabilities	<u>81,981,346</u>	<u>25,626,177</u>	<u>107,607,523</u>
TOTAL LIABILITIES	95,461,794	30,141,137	125,602,931
NET ASSETS			
Invested in capital assets, net of related debt	60,502,720	51,471,577	111,974,297
Restricted for:			
Debt service	-	1,877,057	1,877,057
Capital projects	181,578	3,753,063	3,934,641
State and federal grants	525,079	-	525,079
Unrestricted	1,555,309	(2,037,985)	(482,676)
TOTAL NET ASSETS	\$ 62,764,686	\$ 55,063,712	\$ 117,828,398

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

			Program Revenues	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 10,848,311	\$ 1,149,111	\$ 2,239,824	\$ -
Public safety	14,090,578	1,336,480	834,417	-
Public works	8,289,627	2,936,784	8,840	675,521
Culture and recreation	3,468,304	650,656	17,787	-
Education	45,032,173	14,070,236	3,466,086	-
Human services	1,099,641	180,465	15,530	351,294
Interest	<u>3,098,791</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>85,927,425</u>	<u>20,323,732</u>	<u>6,582,484</u>	<u>1,026,815</u>
Business-Type Activities:				
Water services	3,430,042	4,011,562	-	-
Sewer services	5,017,000	4,129,003	-	240,877
Arena services	1,427,762	1,568,828	-	-
DBIDA services	<u>138,441</u>	<u>138,353</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>10,013,245</u>	<u>9,847,746</u>	<u>-</u>	<u>240,877</u>
Total	<u>\$ 95,940,670</u>	<u>\$ 30,171,478</u>	<u>\$ 6,582,484</u>	<u>\$ 1,267,692</u>

General Revenues:

Property tax
Motor vehicle registration tax
Penalties and interest
Unrestricted investment earnings
Other revenue

Total general revenues

Change in Net Assets

Net Assets:

Beginning of year

End of year

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
\$ (7,459,376)	\$ -	\$ (7,459,376)
(11,919,681)	-	(11,919,681)
(4,668,482)	-	(4,668,482)
(2,799,861)	-	(2,799,861)
(27,495,851)	-	(27,495,851)
(552,352)	-	(552,352)
<u>(3,098,791)</u>	<u>-</u>	<u>(3,098,791)</u>
 <u>(57,994,394)</u>	 <u>-</u>	 <u>(57,994,394)</u>
 -	581,520	581,520
-	(647,120)	(647,120)
-	141,066	141,066
<u>-</u>	<u>(88)</u>	<u>(88)</u>
 <u>-</u>	 <u>75,378</u>	 <u>75,378</u>
 (57,994,394)	 75,378	 (57,919,016)
 55,835,213	-	55,835,213
3,803,303	-	3,803,303
25,037	-	25,037
1,110,037	106,033	1,216,070
<u>208,790</u>	<u>-</u>	<u>208,790</u>
 <u>60,982,380</u>	 <u>106,033</u>	 <u>61,088,413</u>
 2,987,986	181,411	3,169,397
 <u>59,776,700</u>	 <u>54,882,301</u>	 <u>114,659,001</u>
 <u>\$ 62,764,686</u>	 <u>\$ 55,063,712</u>	 <u>\$ 117,828,398</u>

CITY OF DOVER, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2008

	General	CIP FY08	CIP FY07	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and short-term investments	\$ 30,107,180	\$ -	\$ -	\$ 1,784,503	\$ 31,891,683
Investments	-	-	-	2,575,371	2,575,371
Receivables, net of allowance for uncollectibles:					
Taxes	2,810,094	-	-	-	2,810,094
Departmental and other	505,315	-	-	228,568	733,883
Intergovernmental	163,115	-	-	789,398	952,513
Loans	-	-	-	396,564	396,564
Due from other funds	-	6,410,086	2,445,981	5,229,375	14,085,442
Advances to other funds	2,733,032	-	-	-	2,733,032
Inventory	-	-	-	26,333	26,333
Other assets	15,109	-	-	-	15,109
TOTAL ASSETS	\$ 36,333,845	\$ 6,410,086	\$ 2,445,981	\$ 11,030,112	\$ 56,220,024
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 579,941	\$ 598,139	\$ 270,926	\$ 263,036	\$ 1,712,042
Accrued liabilities	2,360,521	283	-	28,388	2,389,192
Retainage payable	29,114	142,958	457,950	27,739	657,761
Deferred revenues	1,724,743	-	-	402,501	2,127,244
Due to other funds	21,823,054	-	-	1,605,178	23,428,232
Advances from other fund	-	-	-	433,151	433,151
Compensated absences	59,988	-	-	60,429	120,417
Other liabilities	223,480	-	-	-	223,480
TOTAL LIABILITIES	26,800,841	741,380	728,876	2,820,422	31,091,519
Fund Balances:					
Reserved for:					
Encumbrances	643,717	3,704,652	2,105,438	2,324,705	8,778,512
Inventory	-	-	-	26,333	26,333
Expenditures	-	-	-	20,000	20,000
Advances	2,733,032	-	-	-	2,733,032
Other specific purposes	571,320	-	-	-	571,320
Unreserved:					
Undesignated, reported in:					
General fund	5,584,935	-	-	-	5,584,935
Special revenue funds	-	-	-	5,344,127	5,344,127
Capital project funds	-	1,964,054	(388,333)	494,525	2,070,246
TOTAL FUND BALANCES	9,533,004	5,668,706	1,717,105	8,209,690	25,128,505
TOTAL LIABILITIES AND FUND BALANCES	\$ 36,333,845	\$ 6,410,086	\$ 2,445,981	\$ 11,030,112	\$ 56,220,024

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET ASSETS OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET ASSETS

JUNE 30, 2008

Total governmental fund balances	\$ 25,128,505
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	123,106,327
<ul style="list-style-type: none">• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	2,127,244
<ul style="list-style-type: none">• Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.	546,953
<ul style="list-style-type: none">• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(431,044)
<ul style="list-style-type: none">• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(71,107,404)
Compensated absences	(2,997,614)
Liability for hazardous waste-site cleanup	(6,263,966)
OPEB liability	<u>(7,344,315)</u>
Net assets of governmental activities	\$ <u>62,764,686</u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2008

	General	CIP FY08	CIP FY07	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 55,152,120	\$ -	\$ -	\$ 376,167	\$ 55,528,287
Licenses and permits	4,456,916	-	-	1,430	4,458,346
Intergovernmental	2,761,290	-	-	4,153,583	6,914,873
Current services	1,220,717	-	-	6,051,741	7,272,458
Education	11,954,934	-	-	-	11,954,934
Miscellaneous	<u>1,888,508</u>	<u>1,816</u>	<u>74,096</u>	<u>491,753</u>	<u>2,456,173</u>
Total Revenues	77,434,485	1,816	74,096	11,074,674	88,585,071
Expenditures:					
Current:					
General government	4,691,917	-	-	972,202	5,664,119
Public safety	11,396,359	1,348,353	-	1,423,210	14,167,922
Public works	4,665,096	1,272,808	1,190,378	2,878,648	10,006,930
Culture and recreation	2,301,415	226,156	-	573,249	3,100,820
Education	37,141,062	870,582	5,332,990	5,878,333	49,222,967
Human services	658,979	-	-	408,544	1,067,523
Intergovernmental	5,922,221	-	-	-	5,922,221
Debt service	<u>9,157,560</u>	<u>-</u>	<u>-</u>	<u>409,194</u>	<u>9,566,754</u>
Total Expenditures	75,934,609	3,717,899	6,523,368	12,543,380	98,719,256
Excess (deficiency) of revenues over (under) expenditures	1,499,876	(3,716,083)	(6,449,272)	(1,468,706)	(10,134,185)
Other Financing Sources (Uses):					
Transfers in	32,000	-	-	1,061,416	1,093,416
Transfers out	<u>(1,093,416)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,093,416)</u>
Total Other Financing Sources (Uses)	<u>(1,061,416)</u>	<u>-</u>	<u>-</u>	<u>1,061,416</u>	<u>-</u>
Net change in fund balances	438,460	(3,716,083)	(6,449,272)	(407,290)	(10,134,185)
Fund Balances, at Beginning of Year	<u>9,094,544</u>	<u>9,384,789</u>	<u>8,166,377</u>	<u>8,616,980</u>	<u>35,262,690</u>
Fund Balances, at End of Year	<u>\$ 9,533,004</u>	<u>\$ 5,668,706</u>	<u>\$ 1,717,105</u>	<u>\$ 8,209,690</u>	<u>\$ 25,128,505</u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (10,134,185)

- Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay purchases 14,066,205

Depreciation (4,710,770)

- Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in deferred revenue. 277,684

- The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets:

Repayments of debt 6,215,838

- In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 47,911

- Some expenses reported in the Statement of Activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Decrease in liability for compensated absences (343,577)

Increase in OPEB liability (2,566,471)

- Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities. 135,351

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 2,987,986

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

**Statement of Revenues and Other Financing Sources,
and Expenditures and Other Financing Uses -
Budget and Actual - General Fund**

For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues and Other Sources:				
Taxes	\$ 55,331,727	\$ 55,331,727	\$ 55,395,948	\$ 64,221
Licenses and permits	4,467,343	4,467,033	4,456,916	(10,117)
Intergovernmental	2,314,412	2,314,412	2,373,590	59,178
Current services	1,206,593	1,206,553	1,220,717	14,164
Education	12,389,888	12,389,888	11,954,934	(434,954)
Miscellaneous	1,047,017	1,095,744	1,888,508	792,764
Other financing sources	32,000	195,193	195,193	-
Total Revenues and Other Sources	76,788,980	77,000,550	77,485,806	485,256
Expenditures and Other Uses:				
General Government				
City Council	171,606	171,606	165,260	6,346
Executive	993,793	973,793	880,879	92,914
Finance	1,115,768	1,148,269	1,107,325	40,944
Planning	869,031	869,031	814,858	54,173
Misc. General Government	793,300	809,177	725,145	84,032
Total General Government	3,943,498	3,971,876	3,693,467	278,409
Public Safety				
Police	6,666,575	6,436,391	6,316,222	120,169
Fire	5,408,171	5,466,171	5,465,009	1,162
Total Public Safety	12,074,746	11,902,562	11,781,231	121,331
Community Services - Public Works	4,832,705	4,832,705	4,689,354	143,351
Culture and Recreation				
Community Services - Recreation	1,346,809	1,366,809	1,365,082	1,727
Public Library	1,136,872	1,136,872	1,079,638	57,234
Total Culture and Recreation	2,483,681	2,503,681	2,444,720	58,961
Human Services	697,239	697,239	670,877	26,362
Education	37,912,706	37,912,706	37,435,730	476,976
Debt Service				
Principal	5,438,756	5,716,190	5,989,588	(273,398)
Interest	3,383,428	3,441,370	3,146,722	294,648
Total Debt Service	8,822,184	9,157,560	9,136,310	21,250
Intergovernmental	5,922,221	5,922,221	5,922,221	-
Transfers	100,000	100,000	100,000	-
Total Expenditures and Other Uses	76,788,980	77,000,550	75,873,910	1,126,640
Excess of revenues and other sources over expenditures and other use:	\$ -	\$ -	\$ 1,611,896	\$ 1,611,896

See accompanying notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2008

	Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Arena Fund	DBIDA Fund	Total	
ASSETS						
Current:						
Cash and short-term investments	\$ 1,837,142	\$ 1,822,312	\$ 38,476	\$ 6,419	\$ 3,704,349	\$ -
User fees, net of allowance for uncollectibles						
Billed	393,579	452,965	46,896	-	893,440	-
Unbilled	549,477	503,559	-	-	1,053,036	-
Departmental and other receivables	-	-	-	-	-	59,254
Intergovernmental receivables	-	939,352	-	-	939,352	-
Capital lease receivable	-	-	-	58,340	58,340	-
Due from other funds	2,671,345	4,086,650	813	-	6,758,808	1,097,184
Inventory	264,785	49,308	5,790	-	319,883	55,581
Total current assets	5,716,328	7,854,146	91,975	64,759	13,727,208	1,212,019
Noncurrent:						
Investment in land	-	-	-	1,256,731	1,256,731	-
Intergovernmental receivable	-	2,048,682	-	-	2,048,682	-
Capital lease receivable	-	-	-	2,023,717	2,023,717	-
Capital assets:						
Land and construction in progress	4,985,641	1,293,148	251,890	20,579	6,551,258	-
Other capital assets, net of accumulated depreciation	18,790,625	39,349,369	3,819,836	-	61,959,830	-
Total noncurrent assets	23,776,266	42,691,199	4,071,726	3,301,027	73,840,218	-
TOTAL ASSETS	29,492,594	50,545,345	4,163,701	3,365,786	87,567,426	1,212,019
LIABILITIES						
Current:						
Accounts payable	542,931	154,024	19,092	-	716,047	32,699
Accrued liabilities	43,573	149,377	16,128	4,981	214,059	8,923
Retainage payable	155,415	60,296	-	-	215,711	-
Unearned revenue	-	111,832	62,357	14,911	189,100	-
Due to other funds	-	-	-	62,696	62,696	-
Current portion of long-term liabilities:						
Claims liability	-	-	-	-	-	238,668
Bonds payable	985,000	1,660,000	238,490	138,340	3,021,830	-
Compensated absences	66,563	78,812	12,838	-	158,213	26,775
Total current liabilities	1,793,482	2,214,341	348,905	220,928	4,577,656	307,065
Noncurrent:						
Claims liability, net of current portion	-	-	-	-	-	358,001
Advance from other fund	-	-	2,299,881	-	2,299,881	-
Bonds payable, net of current portion	10,588,000	9,878,000	2,575,470	1,983,435	25,024,905	-
OPEB liability	367,380	185,100	48,792	-	601,272	-
Total noncurrent liabilities	10,955,380	10,063,100	4,924,143	1,983,435	27,926,058	358,001
TOTAL LIABILITIES	12,748,862	12,277,441	5,273,048	2,204,363	32,503,714	665,066
NET ASSETS						
Invested in capital assets, net of related debt	14,651,928	35,561,883	1,257,766	-	51,471,577	-
Restricted for debt service	-	-	-	1,877,057	1,877,057	-
Restricted for capital outlay	1,857,317	1,857,546	38,200	-	3,753,063	181,578
Unrestricted	234,487	848,475	(2,405,313)	(715,634)	(2,037,985)	365,375
TOTAL NET ASSETS	\$ 16,743,732	\$ 38,267,904	\$ (1,109,347)	\$ 1,161,423	\$ 55,063,712	\$ 546,953

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Arena Fund	DBIDA Fund	Total	
Operating Revenues:						
Charges for services	\$ 3,864,482	\$ 3,994,007	\$ 1,480,636	\$ -	\$ 9,339,125	\$ 1,310,671
Investment fees	90,067	125,267	-	-	215,334	-
Other revenue	57,013	9,729	88,192	138,353	293,287	102,428
Total Operating Revenues	4,011,562	4,129,003	1,568,828	138,353	9,847,746	1,413,099
Operating Expenses:						
Personal services	1,416,077	1,225,936	551,641	-	3,193,654	602,012
Purchased services	181,057	208,397	112,880	481	502,815	313,950
Supplies	531,925	868,425	399,111	-	1,799,461	40,990
Minor equipment	13,355	21,228	-	-	34,583	83,922
Depreciation	644,602	1,992,686	140,282	-	2,777,570	-
Other expenses	120,839	131,073	86,860	-	338,772	245,874
Total Operating Expenses	2,907,855	4,447,745	1,290,774	481	8,646,855	1,286,748
Operating Income (Loss)	1,103,707	(318,742)	278,054	137,872	1,200,891	126,351
Nonoperating Revenues (Expenses):						
Intergovernmental revenue	-	-	-	-	-	9,000
Investment income	52,010	52,520	1,475	28	106,033	-
Interest expense	(522,187)	(569,255)	(136,988)	(137,960)	(1,366,390)	-
Total Nonoperating Revenues (Expenses), Net	(470,177)	(516,735)	(135,513)	(137,932)	(1,260,357)	9,000
Capital Contributions	-	240,877	-	-	240,877	-
Change in Net Assets	633,530	(594,600)	142,541	(60)	181,411	135,351
Net Assets at Beginning of Year	16,110,202	38,862,504	(1,251,888)	1,161,483	54,882,301	411,602
Net Assets at End of Year	\$ 16,743,732	\$ 38,267,904	\$ (1,109,347)	\$ 1,161,423	\$ 55,063,712	\$ 546,953

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Arena Fund	DBIDA Fund	Total	
<u>Cash Flows From Operating Activities:</u>						
Receipts from customers and users for services	\$ 3,679,025	\$ 3,791,188	\$ 1,588,725	\$ 138,353	\$ 9,197,291	\$ 1,420,224
Receipts from customers and users for investment fees	90,067	125,267	-	-	215,334	-
Payments to vendors and contractors	(226,601)	(1,181,071)	(590,435)	(481)	(1,998,588)	(474,870)
Payments of employee salaries and benefits	(1,297,236)	(1,149,391)	(535,416)	-	(2,982,043)	(855,943)
Receipts for interfund service provided	-	-	(12,829)	-	(12,829)	(64,096)
Payments for interfund service provided	2,019,469	533,678	-	75,644	2,628,791	(34,315)
Net Cash Provided By Operating Activities	4,264,724	2,119,671	450,045	213,516	7,047,956	(9,000)
<u>Cash Flows From Noncapital Financing Activities:</u>						
Intergovernmental subsidy	-	1,699,684	-	-	1,699,684	9,000
Net Cash Provided By Noncapital Financing Activities	-	1,699,684	-	-	1,699,684	9,000
<u>Cash Flows From Capital and Related Financing Activities:</u>						
Capital lease payments received	-	-	-	54,678	54,678	-
Purchases of capital assets and land for investment	(2,182,771)	(980,764)	(69,283)	(3,135)	(3,235,953)	-
Principal payments on bonds and notes	(1,005,000)	(1,672,000)	(241,490)	(127,101)	(3,045,591)	-
Interest expense	(517,626)	(627,337)	(139,272)	(137,957)	(1,422,192)	-
Net Cash Provided By (Used For) Capital and Related Financing Activities	(3,705,397)	(3,280,101)	(450,045)	(213,515)	(7,649,058)	-
<u>Cash Flows From Investing Activities:</u>						
Investment income	52,010	52,520	1,475	28	106,033	-
Net Cash Provided By Investing Activities	52,010	52,520	1,475	28	106,033	-
Net Change in Cash and Short-Term Investments	611,337	591,774	1,475	29	1,204,615	-
Cash and Short Term Investments, Beginning of Year	1,225,805	1,230,538	37,001	6,390	2,499,734	-
Cash and Short Term Investments, End of Year	\$ 1,837,142	\$ 1,822,312	\$ 38,476	\$ 6,419	\$ 3,704,349	\$ -
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>						
Operating income (loss)	\$ 1,103,707	\$ (318,742)	\$ 278,054	\$ 137,872	\$ 1,200,891	\$ 126,351
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	644,602	1,992,686	140,282	-	2,777,570	-
Changes in assets and liabilities:						
User fees	(242,470)	(212,540)	(42,460)	-	(497,470)	-
Inventory	-	-	(1,840)	-	(1,840)	3,811
Departmental and other receivables	-	-	-	-	-	7,125
Interfund receivables and payables	2,108,169	643,278	12,171	75,644	2,839,262	(98,411)
Other assets	-	-	-	-	-	3,827
Accounts payable	505,711	41,780	(14,744)	-	532,747	(18,951)
Accrued liabilities	3,365	113	(972)	-	2,506	(34,149)
Unearned revenue	-	-	62,357	-	62,357	-
Retainage payable	26,164	(103,336)	-	-	(77,172)	-
Compensated absences	(12,905)	11,749	147	-	(1,009)	1,397
OPEB liability	128,381	64,683	17,050	-	210,114	-
Net Cash Provided By (Used For) Operating Activities	\$ 4,264,724	\$ 2,119,671	\$ 450,045	\$ 213,516	\$ 7,047,956	\$ (9,000)

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008

	<u>Agency Funds</u>	<u>Private Purpose Trust Funds</u>
<u>ASSETS</u>		
Cash and short term investments	\$ 344,372	\$ -
Due from other funds	<u>847,806</u>	<u>701,688</u>
Total Assets	1,192,178	701,688
<u>LIABILITIES AND NET ASSETS</u>		
Other liabilities	<u>1,192,178</u>	<u>-</u>
Total Liabilities	<u>1,192,178</u>	<u>-</u>
<u>NET ASSETS</u>		
Total Net Assets Held in Trust	\$ <u><u>-</u></u>	\$ <u><u>701,688</u></u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Private Purpose Trust Funds</u>
Additions:	
Contributions	\$ 53,994
Investment income	<u>42,504</u>
Total additions	96,498
Deductions:	
Disbursements by agent	<u>14,901</u>
Total deductions	<u>14,901</u>
Net increase	81,597
Net assets:	
Beginning of year	<u>620,091</u>
End of year	<u><u>\$ 701,688</u></u>

See notes to financial statements.

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CITY OF DOVER, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Dover, New Hampshire (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The government is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2008, it was determined that no entities met the required GASB-39 criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded

from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- The *CIP FY08* is to account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2008 of the Capital Improvements Program.
- The *CIP FY07* is to account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2007 of the Capital Improvements Program.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The government reports the following major proprietary funds:

- The *Water Fund* accounts for the operation of a water treatment plant, City wells and water system.
- The *Sewer Fund* accounts for the operation of a sewer treatment plant, pumping station and sewer lines.
- The *Arena Fund* accounts for the operations of the Dover Ice Arena.
- The *Dover Business and Industrial Development Authority Fund* (DBIDA) accounts for the economic development projects of the DBIDA, which operates under RSA 162-G.

Additionally, the government reports the following fund type:

- Internal service funds account for data processing, fleet management services, and workers compensation administration and claims, provided to other departments on the cost reimbursement basis.

Fiduciary funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, only report assets and liabilities, and thus have no measurement focus. The government also reports the following fiduciary funds:

- The private-purpose trust fund is used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

Agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others. Agency funds held by the City include the Chamber of Commerce, Performance Bonds, Department Agency, and School Agency.

As a general rule and per the City's policy, the effect of interfund activity has been eliminated from the government-wide financial statements. The reimbursements from other funds included in internal service funds revenue are eliminated on the government-wide level to remove the "doubling up" effect of internal service activity.

D. Cash and Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with appropriate state laws and regulations and is under the control of the New Hampshire Banking Commission. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes.

Investments are considered holdings of greater than three months and are reported at fair value.

City Funds

Under New Hampshire RSA 48:16, the City Treasurer may invest excess funds which are not immediately needed for the purpose of expenditure, in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of

New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer. At least yearly, the City Council shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Trust Funds

Under New Hampshire RSA 34:5, capital reserve funds of the City shall be invested only by deposit in some savings bank or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds, notes or other obligations of the United States government, in bonds or notes of this state, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22 by the trustees of the trust funds.

Under New Hampshire RSA 31:27, the city trustees of trust funds may establish, maintain and operate one or more common trust funds, in which may be combined money and property belonging to the various trusts in their care, for the purpose of facilitating investments, providing diversification and obtaining reasonable income; provided however, that said common trust funds shall be limited to the investments authorized in RSA 31:25; provided further, that not more than \$10,000 or more than 10 percent of the fund whichever is greater of any town or city common trust funds shall be invested under RSA 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, in credit unions in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

Under New Hampshire RSA 31:25, at least yearly, the trustees of trust funds shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

E. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

F. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 40
Building improvements	40
Building systems	15 - 24
Infrastructure	20 - 60
Water/sewer infrastructure	24 - 50
Vehicles	8 - 15
Office equipment	7 - 20
Computer equipment	5 - 10
Land improvements	15 - 20
Machinery and equipment	5 - 15
Books and collections	5

H. Compensated Absences

Depending on the union, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which lapses at year end. Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2008 was \$513,658. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 1. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are adopted for the general fund, various special revenue funds, and proprietary funds. Special revenue funds with annually adopted budgets are: parking activity, residential solid waste, library fines, tuition programs, school alternative education, school facilities, McConnell Center, police DHA fund and school cafeteria. Proprietary funds with annually adopted budgets are water, sewer, and arena funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15, but not earlier than seven days after a public hearing. A separate public hearing is held on the portion of the budget submitted by the School Board.

The City Manager may transfer budgeted amounts within each non-school Department without City Council approval. The City Manager may transfer budgeted amounts between non-school Departments only after obtaining approval from the Council. The head of the School Department may transfer budgeted amounts within the Department as needed. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

B. Budgetary Basis

The General Fund final appropriation appearing on Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and various special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and other financing sources</u>	<u>Expenditures and other financing uses</u>	<u>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</u>
Revenues/Expenditures (GAAP basis)	\$ 77,434,485	\$ 75,934,609	\$ 1,499,876
Other financing sources/ uses (GAAP basis)	32,000	1,093,416	(1,061,416)
Subtotal (GAAP basis)	<u>77,466,485</u>	<u>77,028,025</u>	<u>438,460</u>
Adjust property tax revenue to accrual basis	243,828	-	243,828
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,388,882)	1,388,882
Reverse on-behalf payments	(387,700)	(387,700)	-
Add end of year appro- priation carryforwards to expenditures	-	643,717	(643,717)
Use of fund balance	163,193	-	163,193
To reverse amortized debt	<u>-</u>	<u>(21,250)</u>	<u>21,250</u>
Budgetary Basis	<u>\$ 77,485,806</u>	<u>\$ 75,873,910</u>	<u>\$ 1,611,896</u>

D. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

General Fund:

Debt service principal \$ (273,398)

Nonmajor Governmental Funds:

Special Revenue Funds:

School Alternative Education \$ (14,789)

McConnell Center (277,395)

School Cafeteria (130,738)

Internal Service Funds:

Fleet Maintenance	\$ (22,028)
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E. Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2008:

Nonmajor Governmental Funds:

Special Revenue Funds:

Community Development	\$ (87,597) (A)
Homeland Security	(36,290) (A)
Police DHA	(3,296) (A)
Police DOT	(12,658) (A)
Police Tobacco	(2,522) (A)
Dover Main Street	(1,391) (A)
McConnell Center	(429,702) (B)

Capital Project Funds:

CIP FY09	\$ (12,771) (B)
CIP FY00	(32,015) (B)
Cocheco River Dredge	(155,317) (C)

The following fund had a deficit as of June 30, 2008:

Proprietary Fund:

Arena Fund	\$ (1,109,347) (B)
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- (A) The deficits in these funds will be eliminated through the future grant reimbursements.
- (B) The deficits in these funds will be eliminated through future departmental revenues and transfers from other funds.
- (C) The deficit will be funded by future grant reimbursements and fees charged for placement of dredge spoils.

3. Cash and Investments

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. None of the City's investments were exposed to custodial credit risk.

City Funds

The City's Investment Policy requires the use of security broker/dealers be based on creditworthiness (a minimum capital requirement of \$100,000,000 and at least five years of operation). Permitted investment per state law and the City's policy are US Government Obligations, New Hampshire Public Deposit Investment Pool (NHPDIP), Certificates of Deposits in New Hampshire banks and overnight Repurchase Agreements whose underlying securities consist of US Government Obligations, US Government Agency Obligations or State of NH Obligations. Financial institutions where funds are kept on deposit, in CDs or Repurchase Agreements must meet the following criteria:

- Minimum total assets of \$100 million.
- Minimum of an average rating by a bank rating service.
- Minimum ratio of equity capital to total assets of 5%.
- Maximum ratio of non-performing assets to equity of 20%.

Full collateralization is required on non-negotiable CDs or overnight Repurchase Agreements. Repurchase Agreement collateral must consist of US Government Obligations, US Government Agency Obligations or State of NH Obligations.

Maximum maturity for an investment of City funds is six months. As of June 30, 2008, the City's bank balance of \$40,056,426 was fully insured and collateralized, including \$5,083,279 in repurchase agreements held in underlying securities by the investment's counterparty, and in the name of the City.

Trust Funds

The Investment Policy of the City's Board of Trustees of the Trust Funds permits deposits and investments in:

- Deposits in savings banks or the savings department of a national bank or trust company in the state of New Hampshire or in the NHPDIP.
- Shares of a building and loan association or cooperative bank, incorporated and doing business under New Hampshire law.
- Shares of any federal savings and loan association, located and doing business in New Hampshire.
- Certificates of deposits in New Hampshire.
- Bonds, notes or other obligations of the US Government or the state, county, town, city, school district or water and sewer district.

- Stocks and bonds as are legal for investment by NH savings banks.
- Shares of mutual funds or money market mutual funds.

Investment depositories must meet the following criteria:

- Minimum total assets of \$100 million.
- Minimum ratio of equity capital to total assets of 6%.
- Maximum ratio of non-performing assets to equity of 35%.
- Minimum of an average rating by a bank rating service.

The \$2,575,371 investments of the Trust Funds are all mutual funds, which are exempt from the rating and duration of time disclosure requirements.

B. Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. In addition, they do not permit investments made with leveraging techniques, margin purchases or trading involving short selling.

The Board of Trustees' Investment Policy also addresses specific ratio analysis and financial parameters for investments in stocks, bonds and mutual funds. During fiscal year 2008 the trust investments were held in mutual funds. The mutual fund investment criteria are listed below:

- The fund is a no load, open-ended fund, and does not charge 12b-1 expenses.
- The fund is qualified for sale in the State of New Hampshire with the Securities Regulations Bureau of the NH Secretary of State.
- The fund is registered with the SEC.
- A prospectus is available to the trustees outlining the investment philosophy of the fund and the major holdings in the fund.
- The fund has a Morningstar rating of four stars or better.
- The fund can invest in equities or bonds or both.
- Price/Earnings & Price/Book ratios should be reasonable within the given market conditions and sectors.
- If the fund invests mainly in fixed income securities or is mixed with equities, the average credit quality of the fixed income securities should be A or higher.
- No investment shall be made into high yield bond funds.

C. Concentration of Credit Risk

City Funds

The City's Investment Policy limits its exposure to concentration credit risk by limiting the types of investment securities that it holds to US Government Obligations and by splitting its short term deposits between financial institutions that fully collateralize them and the NHPDIP that also collateralizes the deposits and fully insures them.

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is as follows:

- No more than 10% of the portfolio (cost basis including cash and investments) shall be invested in the obligations of any one entity, corporation or organization exclusive of U.S. government or agency obligations. A mutual fund will be considered one entity.
- No more than 20% (cost basis) shall be invested in any one sector.
- About 10% of the portfolio should be kept in more liquid money market accounts.

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations thus avoiding the need to sell securities on the open market prior to maturity. The policy also provides for investing primarily in shorter-term securities, including the local government investment pool.

Trust Funds

The Trust recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way to control risk. The Treasurer is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Treasurer shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.

Information about the sensitivity of the fair values of the Trust's investments to market interest rate fluctuations is not provided, since all investments are held in mutual funds.

E. Foreign Currency Risk

Specific investment in foreign securities is not permitted by either the City or Board of Trustees Investment Policies. Mutual Funds held by the Board of Trustees may have insignificant holdings in foreign securities.

The City and Board's policies also outline other specific investment criteria and are available for review at www.ci.dover.nh.us.

4. Taxes Receivable

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

Property taxes are due no earlier than December 1 and June 1, of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years.

Taxes receivable at June 30, 2008 are comprised of (in thousands):

Unredeemed taxes:

Levy of fiscal year 2008	\$ 2,313
Levy of fiscal year 2007	454
Levy of fiscal year 2006	162
Allowance for abatements	<u>(158)</u>
Subtotal	2,771

Other taxes:

Other miscellaneous taxes	<u>39</u>
Total	<u>\$ 2,810</u>

5. Departmental and Other Receivables

Departmental and other receivables, as reported in the governmental funds, represent ambulance, police detail, current use receivables, and other reimbursements.

	<u>Ambulance</u>	<u>Police Detail</u>	<u>Current Use</u>	<u>Other</u>	<u>Total</u>
Gross	\$ 660,659	\$ 42,207	\$ 105,701	\$ 246,266	\$ 1,054,833
Less: Allowance for doubtful accounts	<u>(261,697)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(261,697)</u>
Total	<u>\$ 398,962</u>	<u>\$ 42,207</u>	<u>\$ 105,701</u>	<u>\$ 246,266</u>	<u>\$ 793,136</u>

6. Intergovernmental Receivables

Intergovernmental receivables of \$163,115 reported in the general fund represents tuition revenue received from area school districts in July and August 2008. The balance of \$789,398 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Fund bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

Fiscal Year Ended	Reimbursement For		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2009	\$ 835,833	\$ 182,677	\$ 1,018,510
2010	835,833	126,094	961,927
2011	835,833	69,496	905,329
2012	343,095	12,884	355,979
2013	5,711	1,323	7,034
Thereafter	<u>28,210</u>	<u>3,779</u>	<u>31,989</u>
Total	<u>\$ 2,884,515</u>	<u>\$ 396,253</u>	<u>\$ 3,280,768</u>

In the Sewer Enterprise fund the City has accrued \$103,519 of interest due in fiscal year 2009, along with all principal as Intergovernmental Receivables at June 30, 2008.

7. Loans Receivable

Loans receivable of \$396,564 in nonmajor governmental funds represent the uncollected balance of community development loans.

8. Interfund Fund Receivables, Payables, and Transfers

The City maintains self-balancing funds; however, most cash transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount payable to the general fund from Arena and McConnell Center relates to cash flow hardship, and is not scheduled to be collected in the subsequent year. The following is an analysis of the June 30, 2008 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ -	\$ 21,823,054	\$ 2,733,032	\$ -
CIP FY08	6,410,086	-	-	-
CIP FY07	2,445,981	-	-	-
Nonmajor Govt'l Funds	5,229,375	1,605,178	-	433,151
Major Proprietary Funds:				
Enterprise Funds:				
Water	2,671,345	-	-	-
Sewer	4,086,650	-	-	-
Arena	813	-	-	2,299,881
DBIDA	-	62,696	-	-
Nonmajor Proprietary Funds:				
Internal Service Funds	1,097,184	-	-	-
Fiduciary Funds:				
Agency Funds	847,806	-	-	-
Private Purpose Funds	701,688	-	-	-
Total	<u>\$ 23,490,928</u>	<u>\$ 23,490,928</u>	<u>\$ 2,733,032</u>	<u>\$ 2,733,032</u>

Interfund transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

9. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows
(reported in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 77,742	\$ 2,843	\$ -	\$ 80,585
Machinery, equipment, and furnishings	23,628	544	(60)	24,112
Infrastructure	<u>53,010</u>	<u>77</u>	<u>-</u>	<u>53,087</u>
Total capital assets, being depreciated	154,380	3,464	(60)	157,784
Less accumulated depreciation for:				
Buildings and improvements	(24,147)	(1,644)	-	(25,791)
Machinery, equipment, and furnishings	(13,725)	(1,405)	60	(15,070)
Infrastructure	<u>(35,172)</u>	<u>(1,662)</u>	<u>-</u>	<u>(36,834)</u>
Total accumulated depreciation	<u>(73,044)</u>	<u>(4,711)</u>	<u>60</u>	<u>(77,695)</u>
Total capital assets, being depreciated, net	81,336	(1,247)	-	80,089
Capital assets, not being depreciated:				
Land	13,306	362	-	13,668
Construction in progress	<u>19,109</u>	<u>12,524</u>	<u>(2,284)</u>	<u>29,349</u>
Total capital assets, not being depreciated	<u>32,415</u>	<u>12,886</u>	<u>(2,284)</u>	<u>43,017</u>
Governmental activities capital assets, net	<u>\$ 113,751</u>	<u>\$ 11,639</u>	<u>\$ (2,284)</u>	<u>\$ 123,106</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 40,413	\$ 1,453	\$ -	\$ 41,866
Machinery, equipment, and furnishings	9,657	246	(71)	9,832
Infrastructure	<u>50,496</u>	<u>2,321</u>	<u>-</u>	<u>52,817</u>
Total capital assets, being depreciated	100,566	4,020	(71)	104,515
Less accumulated depreciation for:				
Buildings and improvements	(17,206)	(1,198)	-	(18,404)
Machinery, equipment, and furnishings	(4,919)	(534)	71	(5,382)
Infrastructure	<u>(17,724)</u>	<u>(1,045)</u>	<u>-</u>	<u>(18,769)</u>
Total accumulated depreciation	<u>(39,849)</u>	<u>(2,777)</u>	<u>71</u>	<u>(42,555)</u>
Total capital assets, being depreciated, net	60,717	1,243	-	61,960
Capital assets, not being depreciated:				
Land	2,037	-	-	2,037
Construction in progress	<u>5,301</u>	<u>3,164</u>	<u>(3,951)</u>	<u>4,514</u>
Total capital assets, not being depreciated	<u>7,338</u>	<u>3,164</u>	<u>(3,951)</u>	<u>6,551</u>
Business-type activities capital assets, net	<u>\$ 68,055</u>	<u>\$ 4,407</u>	<u>\$ (3,951)</u>	<u>\$ 68,511</u>

Depreciation expense was charged to functions of the City as follows (in thousands):

Governmental Activities:

General government	\$ 25
Public safety	308
Public works	2,446
Education	1,561
Culture and recreation	369
Human services	<u>2</u>

Total depreciation expense - governmental activities	\$ <u>4,711</u>
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Business-Type Activities:

Water	\$ 644
Sewer	1,993
Arena	<u>140</u>

Total depreciation expense - business-type activities	\$ <u>2,777</u>
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Construction Commitments:

Active construction in progress at June 30, 2008 and commitments outstanding consist of the following:

<u>Government Activities</u>	<u>Construction in Progress</u>	<u>Remaining Commitments</u>
Tolend Rd	\$ 9,023,691	\$ 3,615,801
Woodman Park School	7,140,915	1,407,434
Cocheco Dredge Cell	3,434,828	641,561
Street Improvements	3,025,801	80,631
Glenwood Ave Improvements	1,592,801	143,771
Fire Station North End	1,373,302	1,769,857
Sixth Street and Indian Brook Drive	1,351,371	227,598
Dover High School and Garrison School	559,527	939,727
McConnell Center Renovations	409,290	32,839
TIP - Cocheco River Bridge	271,713	6,499
Signalizations	237,934	1,193,758
McConnell Building Improvements	224,958	38,867
Drainage	150,553	4,273
Horne Street School	137,834	6,000
Henry Law Avenue Reconstruction	131,223	809,120
Sidewalks	96,572	290,914
Various other construction projects	<u>188,177</u>	<u>414,033</u>
Total Governmental Activities	\$ <u>29,350,490</u>	\$ <u>11,622,683</u>

<u>Business-Type Activities</u>	<u>Construction in Progress</u>	<u>Remaining Commitments</u>
Water Meter Replacement	\$ 1,732,089	\$ 345,561
Water - bouchard Well & Treatment Plant	2,532,859	95,488
Various other water construction projects	32,162	39,288
Sewer - WWTP UV Unit Upgrade	95,479	44,112
Various other sewer construction projects	101,364	193,981
DBIDA Enterprise Park	20,579	100
Total Business Type Activities	<u>\$ 4,514,532</u>	<u>\$ 718,530</u>

10. Accounts Payable

Accounts payable represents fiscal year 2008 invoices paid in the subsequent fiscal year.

11. Accrued Liabilities

Accrued liabilities in the general fund represent salaries earned but unpaid to City and School employees at year-end.

12. Deferred Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund deferred revenues account is equal to the sum of all delinquent taxes at June 30, 2008 less property and unredeemed tax collections for the subsequent 60 days.

13. Long-Term Debt

A. Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences are repaid from the funds that the costs relate to, mostly general fund, and also water, sewer, arena, internal service, and other special revenue funds.

B. General Obligation Bonds and Loans

The City's general obligation bonds and loans are used to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. All

bonds and loans outstanding were used in calculating the net assets invested in capital assets net of related debt. General obligation bonds and loans currently outstanding are as follows:

<u>Description</u>	<u>Original Issue Amount</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Balance</u>
Bonds Payable:				
WWTP-State guaranteed 1991	\$ 10,500,000	6.6983%	07/15/11	\$ 2,100,000
WWTP-State guaranteed 1991	7,300,000	6.5746%	01/15/12	1,460,000
WWTP-State guaranteed 1992	450,000	5.5966%	01/15/12	80,000
Public improvements 1993	1,188,338	5.4153%	08/15/08	80,000
Public improvements 1994	3,043,000	5.6100%	08/15/09	350,000
Public improvements 1995	3,356,711	5.3259%	08/15/10	615,000
Public improvements 1996	3,885,092	5.6554%	08/15/11	790,000
Energy conservation 1996	875,055	5.4059%	01/15/12	83,960
Public improvements 1997	1,002,327	4.8400%	08/15/12	200,000
Public improvements 1999	4,137,500	4.1900%	01/15/13	1,375,000
Public improvements 1999	2,179,901	5.5100%	01/15/15	985,000
New Middle School 1999	15,741,027	5.5800%	01/15/20	7,289,861
Public improvements 2001	22,991,400	4.4506%	06/15/21	12,740,000
Public improvements 2002	2,240,600	4.2300%	06/15/22	1,375,000
Public improvements 2003	14,280,000	3.1668%	06/15/24	9,780,000
Public improvements 2004	9,816,000	4.1148%	06/15/25	7,840,000
Public improvements 2005	10,740,000	3.8405%	06/15/26	9,290,000
Public improvements 2006	22,348,000	4.2313%	06/15/27	20,840,000
Public improvements 2007	20,646,000	4.5000%	06/15/27	19,490,000
Total bonds payable				96,763,821
Other Long-Term Debt:				
State revolving loan - Tolend landfill	1,271,357	3.5625%	09/01/13	508,543
BFA Loan	2,000,000	6.5000%	03/02/26	1,881,775
Total Other Debt Outstanding				2,390,318
Total Long-Term Debt				\$ 99,154,139

C. Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2008 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 6,089,954	\$ 3,164,934	\$ 9,254,888
2010	5,917,359	2,994,951	8,912,310
2011	5,685,756	2,835,126	8,520,882
2012	5,468,702	2,684,965	8,153,667
2013	5,250,002	2,536,864	7,786,866
2014 - 2018	22,446,599	10,473,213	32,919,812
2019 - 2023	13,749,032	4,824,847	18,573,879
2024 - 2028	<u>6,500,000</u>	<u>682,100</u>	<u>7,182,100</u>
Total	\$ <u>71,107,404</u>	\$ <u>30,197,000</u>	\$ <u>101,304,404</u>

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 3,021,830	\$ 1,271,866	\$ 4,293,696
2010	3,015,737	1,126,853	4,142,590
2011	2,924,906	983,850	3,908,756
2012	2,704,352	843,493	3,547,845
2013	1,755,610	728,308	2,483,918
2014 - 2018	9,293,300	2,372,223	11,665,523
2019 - 2023	4,001,000	741,571	4,742,571
2024 - 2028	<u>1,330,000</u>	<u>136,810</u>	<u>1,466,810</u>
Total	\$ <u>28,046,735</u>	\$ <u>8,204,974</u>	\$ <u>36,251,709</u>

The City's proprietary fund future debt service is partially funded by the state, as described in Note 6. The governmental future debt service relating to school construction is partially funded by the New Hampshire Department of Education School Building Aid, which is annually appropriated by the state.

D. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2008 are as follows:

<u>Purpose</u>	<u>Amount</u>
Varney Brook Forcemain	\$ 900,000
Enterprise Park Building Pjt	2,000,000
Tolend Rd. Landfill Remedia	5,500,000
Street Recon-Paul/Wallingft	250,000
Water Main - Paul/Wallingft	175,000
Rizzo - Downtown Parking	500,000
Open Sapce Acquisition	1,000,000
TIP Cocheco River Bridge	200
Street Recon - Broadway	200,000
Public Improvements FY09	<u>6,095,000</u>
Total	\$ <u>16,620,200</u>

E. Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2008 and related limitations. These limits are based on the tax year 2007 base valuations for debt limits of \$3,030,293,656 provided by the State Department of Revenue Administration.

<u>Purpose</u>	<u>Percent of State Assessed Value</u>	<u>Maximum Debt Limit</u>	<u>Applicable Bonds Outstanding at June 30, 2008</u>
Municipal	3%	\$ 91,808,810	\$ 39,454,960
School	7%	214,220,556	29,132,861
Water	10%	306,029,366	11,573,000
DBIDA - IP	0%	4,000,000 *	845,000
DBIDA - IB	0%	1,000,000	-
DBIDA - Projects	8%	230,878,696	1,881,775
Not subject to limitation	0%	-	<u>16,266,543</u>
Total			\$ <u>99,154,139</u>

** Debt limit is set by special legislation.*

F. Changes in General Long-Term Liabilities

During the year ended June 30, 2008, the following changes occurred in long-term liabilities (in thousands):

	<u>Total Balance 07/01/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Total Balance 06/30/08</u>	<u>Less Current Portion</u>	<u>Long-Term Portion 06/30/08</u>
<u>Governmental Activities</u>						
Claims liability	\$ 632	\$ -	\$ (35)	\$ 597	\$ (239)	\$ 358
Bonds and loans payable	77,323	-	(6,216)	71,107	(6,090)	65,017
Other:						
Compensated absences	2,806	854	(515)	3,145	(147)	2,998
OPEB liability	4,778	3,528	(962)	7,344	-	7,344
Liability for hazardous waste-site cleanup	<u>6,264</u>	<u>-</u>	<u>-</u>	<u>6,264</u>	<u>-</u>	<u>6,264</u>
Totals	\$ <u>91,803</u>	\$ <u>4,382</u>	\$ <u>(7,728)</u>	\$ <u>88,457</u>	\$ <u>(6,476)</u>	\$ <u>81,981</u>

	Total Balance 07/01/07	Additions	Reductions	Total Balance 06/30/08	Less Current Portion	Long-Term Portion 06/30/08
<u>Business-Type Activities</u>						
Bonds and loans payable	\$ 31,100	\$ -	\$ (3,053)	\$ 28,047	\$ (3,022)	\$ 25,025
Other:						
Compensated absences	159	121	(121)	159	(159)	-
OPEB liability	391	289	(79)	601	-	601
Totals	<u>\$ 31,650</u>	<u>\$ 410</u>	<u>\$ (3,253)</u>	<u>\$ 28,807</u>	<u>\$ (3,181)</u>	<u>\$ 25,626</u>

14. Landfill Closure and Postclosure Care Costs

The City owned and operated a 55-acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991, the Environmental Protection Agency issued a Record of Decision (ROD) on the closure of the site, including the City as a Potentially Responsible Party (PRP). The estimated cost of the original ROD for closure and post closure maintenance was \$34,612,296. The City was responsible for 42.68% of the costs. The City negotiated its preliminary share at \$8,166,666 of the first \$20 million. Thirty-two PRPs made final settlement on all costs related to the closure with EPA. Based on this information, the City established an estimated \$11,016,013 liability for its share of the capping and management of mitigation costs.

The City funded and paid its share of the capping design of \$1,257,357. The City also funded the ongoing project costs over the years with \$2,213,142 in transfers from operational funds, \$2,900,000 from bond authorizations and \$1,237,229 from various sources including state aid, insurance proceeds and a payment from the Town of Madbury.

The City entered negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves an air sparging trench along the down gradient edge of the landfill which will treat contaminated ground water. This alternative carries significant savings versus conventional capping. The City received approval for a pilot program to determine the effectiveness of this method. As a result, the City received a four-year deferral of the capping requirement from EPA.

An Amended Record of Decision (AROD) from EPA was issued on September 30, 2004 to change the closure method with an estimated cost of \$19,393,859, including post closure maintenance. The City's new liability is \$8,663,966 for the alternative closure method using the same cost sharing percentage. Of this total, \$7,625,525 relates to the closure and \$1,038,441 relates to post closure maintenance.

The \$8,663,966 liability is further reduced by \$2,400,000 of available bonded funds reflecting a net liability at June 30, 2008 of \$6,263,966 relating to the AROD.

The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations.

15. Restricted Net Assets

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

16. Reserves of Fund Equity

"Reserves" of fund equity are established to segregate fund balances which are either not available for expenditure in the future or are legally set aside for a specific future use.

The following types of reserves are reported at June 30, 2008:

Reserved for Encumbrances - An account used to segregate that portion of fund balance committed for expenditure of financial resources upon vendor performance.

Reserved for Inventory - An account used to segregate that portion of fund balance committed for inventory purposes.

Reserved for Expenditures - Represents the amount of fund balance appropriated to be used for expenditures in the subsequent year budget.

Reserved for Advances - An account used to segregate a portion of fund balance to indicate that advances to other funds, although a component of assets, do not represent available spendable resources.

Reserved for Other Specific Purposes - Represents the amount of fund balance committed for debt service and capital outlay in subsequent years.

17. Subsequent Events

A. Investments

During September through December, 2008, the stock market suffered significant losses. As a result, there may be a substantial depreciation in the value of the organization's investments.

B. Debt

Subsequent to June 30, 2008, the City has incurred the following additional debt:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
General obligation bond	\$ 9,970,000	3.00 - 4.75 %	11/15/08	12/15/28

18. **Commitments and Contingencies**

Outstanding Lawsuits - There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

County Deficit - City's property tax assessment is 27% of Strafford County's total assessment. Stafford County had a \$7,076,678 unreserved General Fund Balance deficit on December 31, 2007.

19. **Post-Employment Health Care**

GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the statement of revenues, expenses, and changes in net assets when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Assets over time.

Plan Description

The City pays toward the cost of health care benefits for certain qualified retirees enrolled at the time of retirement and their eligible dependents (Retiree Group). The City will also pay toward the cost of health care benefits for certain current employees and eligible dependents upon retirement. The benefits, benefit levels, employee contributions and employer contributions are governed by NH RSA 100-A:50.

As of June 30, 2008, the actuarial valuation date, approximately 123 retirees and 598 active employees meet the eligibility requirements.

Benefits Provided

The City provides medical, dental, prescription drug, mental health/ substance abuse and life insurance to retirees and their covered dependents who meet certain eligibility criteria.

Current retirees have their health care benefit cost paid by the City if they retired while enrolled in the City's Group Health Insurance program and had a minimum of 20 years of continuous creditable service with the City. Current employees are eligible for City cost participation when they retire only if they meet the same enrollment and service criteria and were hired on or before May 30, 2000, depending on the bargaining unit.

Employees who retire from the City under the NHRS and participated in the City's Group Health Insurance Program at the time of retirement, but who are not eligible for any City retiree health care benefit cost coverage may also join the Retiree Group. Coverage will continue for themselves and their eligible dependents at their own expense in accordance with state statute (NH RSA 100-A:50)

Funding Policy

Retirees contribute various percentages of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

The retiree health care benefit cost to the City is lessened by subsidies received by retirees from the NHRS. Health care benefit costs are reduced significantly upon a retiree or their dependents attaining the age of 65, at which time they become eligible for Medicare and are changed to a Medicare supplement plan.

During the past 10 fiscal years, the City's cost of health care benefits to retirees, less any subsidies paid by the New Hampshire Retirement System and any withholdings from the retirees, was as follows:

<u>Fiscal Year</u>	<u>Net City Cost</u>
2008	\$ 562,787
2007	499,660
2006	401,268
2005	334,247
2004	276,543
2003	108,733
2002	66,030
2001	132,639
2000	109,087
1999	90,894

For the fiscal year ended June 30, 2008, \$387,700 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

Annual OPEB Costs and Net OPEB Obligation

The City's fiscal 2008 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the City's annual OPEB cost for the year ending June 30, 2008, the amount actually contributed to the plan, and the change in the City's net OPEB obligation based on an actuarial valuation as of June 30, 2008.

Annual Required Contribution (ARC)	\$ 3,894,906
Interest on net OPEB obligation	258,450
Adjustment to ARC	(336,251)
Annual OPEB cost	3,817,105
Contributions made	(1,040,520)
Increase in net OPEB obligation	2,776,585
Net OPEB obligation - beginning of year	5,169,002
Net OPEB obligation - end of year	\$ 7,945,587

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ 3,817,105	27.3%	\$7,945,587

The City's net OPEB obligation as of June 30, 2008 is recorded as a liability on the Statement of Net Assets.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 42,669,587
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	42,669,587
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 28,725,197
UAAL as a percentage of covered payroll	148.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the City and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2008 actuarial valuation the pure unit credit cost method was used. The actuarial value of assets was not determined as the City has not advance funded its obligation. The actuarial assumptions included a 5.0% investment rate of return and an initial annual healthcare cost trend rate of 10.0% which decreases to a 4.5% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis.

20. Self-Insurance

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Under the

terms of its insurance coverage, the City is liable for \$400,000 per incident. The insurer's limit of liability is \$3,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

Claims Liability

The following represents changes in the Workers' Compensation claims liability:

	<u>Year Ended</u> <u>June 30, 2008</u>	<u>Year Ended</u> <u>June 30, 2007</u>
Unpaid claims, beginning of fiscal year	\$ 632,053	\$ 558,480
Claims incurred (including IBNRs)	283,898	411,850
Claims paid	<u>(319,282)</u>	<u>(338,277)</u>
Unpaid claims, end of fiscal year	<u>\$ 596,669</u>	<u>\$ 632,053</u>

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of \$596,669 claims liability as of June 30, 2008, \$238,668 is due within one year.

21. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

22. Pension Plan

The City follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, with respect to the employees' retirement funds.

A. Plan Description

The City contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the state retirement board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A41-a of New Hampshire Law assigns the system the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the New Hamp-

shire Retirement System at 4 Chenell Drive, Concord, New Hampshire 03301-8509.

B. Funding Policy

Plan members are required to contribute to the pension plan based on their annual covered compensation. The rates for member contributions is statutorily defined by Revised Statutes Annotated 100-A:16. The City and State also make annual contributions to the pension plan equal to the amount required. The New Hampshire Retirement System establishes the employers' and the State's contributory rate every two years. The employer pays 65% of the total employer normal contribution rate for teacher, firefighter and police officer members; the State of New Hampshire pays 35%. The employer pays the entire amount for its employee members. The following table reflects the contribution rates (percent of compensation) during fiscal year 2007 for the members, the City and the State.

<u>Group</u>	Contribution Rates		
	<u>Members</u>	<u>City</u>	<u>State</u>
I Teachers	5.00%	5.80%	2.00%
I Employees	5.00%	8.74%	0.00%
II Police	9.30%	11.84%	5.22%
II Fire	9.30%	15.92%	7.73%

Contributions to the System were as follows:

<u>Year</u>			
<u>Ended</u>	<u>The City</u>	<u>Plan Members</u>	<u>Total</u>
2008	\$ 2,936,651	\$ 2,075,111	\$ 5,011,762
2007	2,032,898	2,185,757	4,218,655
2006	2,006,390	2,156,406	4,162,796
2005	1,713,819	1,919,101	3,632,920
2004	1,655,035	1,865,872	3,520,907
2003	1,133,880	1,786,910	2,920,790
2002	1,020,217	1,609,822	2,630,039
2001	972,117	1,502,795	2,474,912

23. Beginning Fund Balance Reclassification

The City's major governmental funds for fiscal year 2008, as defined by GASB Statement 34, have changed from the previous fiscal year. CIP 08 is a major fund in fiscal year 2008 per GASB 34 criteria. Management elects to present CIP 07 as a major fund. Accordingly, the following reconciliation is provided:

	Fund Equity 6/30/07 (as previously <u>reported</u>)	<u>Reclassification</u>	Fund Equity 7/1/07 (as restated)
Nonmajor Governmental Funds	\$ 26,168,146	\$ (17,551,166)	\$ 8,616,980
CIP 08	-	9,384,789	9,384,789
CIP 07	<u>-</u>	<u>8,166,377</u>	<u>8,166,377</u>
Total	\$ <u>26,168,146</u>	\$ <u>-</u>	\$ <u>26,168,146</u>

CITY OF DOVER, NEW HAMPSHIRE
SCHEDULE OF FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2008
(Unaudited)

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
07/01/08	\$ -	\$ 42,669,587	\$ 42,669,587	0.0%	\$ 28,725,197	148.5%
07/01/07	\$ -	\$ 40,449,724	\$ 40,449,724	0.0%	\$ 27,170,669	148.9%
07/01/06	\$ -	\$ 33,584,481	\$ 33,584,481	0.0%	N/A	N/A
07/01/05	\$ -	\$ 31,256,403	\$ 31,256,403	0.0%	N/A	N/A

N/A Not available at time of publication.

See Independent Auditors' Report.

Combining Financial Statements

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- Community Development Fund - To account for grant proceeds received from the U.S. Dept. of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and sub-grant expenditures.
- Housing Rehabilitation Loan Fund - To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.
- Economic Development Loan Fund - To account for loans given to small business for the purpose of business establishment or expansion.
- Police DOJ Fund - To account for grant proceeds from the U.S. Dept. of Justice for various drug and alcohol awareness and prevention programs.
- Homeland Security Fund - To account for grant proceeds from the U.S. Dept. of Homeland Security for equipment purchases.
- Police DHA Fund - To account for funds received from the Dover Housing Authority for payment toward funding a Police Officer presence at their housing area.
- Police DOT Fund - To account for grant proceeds from the U.S. Dept. of Transportation for various driving safety programs.
- Police Tobacco Fund - To account for grant proceeds for various tobacco awareness and prevention programs.
- Emergency Management Fund - To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.
- DOI Fund - To account for grant proceeds from the U.S. Dept. of Interior for various programs.
- EPA Fund - To account for grant proceeds from the U.S. Environmental Protection Agency for various programs.

- School Cafeteria Fund - To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Dept. of Education and receipt of U.S. Dept. of Agriculture food commodities.
- School Federal Aid Fund - To account for grants received from the U.S. Dept. of Education for various programs supporting School operations.
- School Special Programs Fund - To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.
- Dover Main Street Fund - To account for the expenditures related to the Main Street Program, reimbursed by Dover Main Street, Inc.
- Planning Improvements Fund - To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.
- Police and Fire Detail - To account for police and fire outside detail activity.
- Parking Activity Fund - To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.
- Police Special Fund - To account for forfeiture proceeds and special investigative expenditures.
- Conservation Fund - To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.
- Residential Solid Waste Fund - To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures of residential solid waste pickup and disposal.
- McConnell Center Fund - To account for the operations and maintenance of the McConnell Center facility and revenues from the leasing of space to 501(c)3 organizations and City and State organizations.
- Recreation Programs Fund - To account for the revenue and expenditures of self-supporting recreational programs.
- Recreation Field Maintenance Fund - To account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.
- Library Fines Fund - To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.

- Tuition Programs Fund - To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- Vocational Center Fund - To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- School Alternative Education Fund - To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- School Facilities Fund - To account for gate receipts used toward the cost of facility maintenance and upgrades.
- Other Special Revenue Funds - To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

CAPITAL PROJECT FUNDS

- CIP FY09 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2009 of the Capital Improvements Program.
- CIP FY06 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2006 of the Capital Improvements Program.
- CIP FY05 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2005 of the Capital Improvements Program.
- CIP FY04 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2004 of the Capital Improvements Program.
- CIP FY03 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2003 of the Capital Improvements Program.
- CIP FY02 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2002 of the Capital Improvements Program.

- CIP FY01 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2001 of the Capital Improvements Program.
- CIP FY00 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2000 of the Capital Improvements Program.
- Tolend Road Landfill Closure - To account for the revenue from bond and loan proceeds, insurance proceeds, and federal and state grant funding and the related expenditures for the design and construction costs of the closure of a landfill containing hazardous waste.
- Cocheco River Dredge - To account for the revenue from bond anticipation note proceeds and revenue from the placement of dredge spoils and the related expenditures for the design, construction and closure costs of a dredge spoils cell for the Cocheco River.
- Recreation Field Construction - To account for the revenue from the sale of gravel and the related expenditures for authorized recreation or other qualified projects.

CITY OF DOVER, NEW HAMPSHIRE

Non-Major Governmental Funds

**Combining Balance Sheet
June 30, 2008**

	<u>Special Revenue Funds</u>			
	Community Development Fund	Housing Rehab Loan Fund	Economic Development Loan Fund	Police DOJ Fund
<u>ASSETS</u>				
Cash and short-term investments	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Departmental receivable	-	-	-	-
Intergovernmental receivables	109,362	-	-	29,591
Loans receivable	-	156,142	240,422	-
Due from other funds	-	156,678	263,933	-
Inventory	-	-	-	-
Total Assets	\$ <u>109,362</u>	\$ <u>312,820</u>	\$ <u>504,355</u>	\$ <u>29,591</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 12,603	\$ 697	\$ 313	\$ 12
Accrued liabilities	1,941	-	-	7,875
Retainage payable	-	-	-	-
Deferred revenue	-	156,142	240,422	-
Due to other funds	182,415	-	-	1,213
Advance from other fund	-	-	-	-
Compensated absences	-	-	-	-
Total Liabilities	196,959	156,839	240,735	9,100
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for expenditures	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	(87,597)	155,981	263,620	20,491
Capital projects fund	-	-	-	-
Total Fund Balances	<u>(87,597)</u>	<u>155,981</u>	<u>263,620</u>	<u>20,491</u>
Total Liabilities and Fund Balances	\$ <u>109,362</u>	\$ <u>312,820</u>	\$ <u>504,355</u>	\$ <u>29,591</u>

Special Revenue Funds

Homeland Security Fund	Police DHA Fund	Police DOT Fund	Police Tobacco Fund	Emergency Management Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	12,119
-	-	-	-	-
-	-	-	-	345,827
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>357,946</u>
\$ -	\$ -	\$ -	\$ 981	\$ 9,385
-	1,338	2,472	384	367
-	-	-	-	-
-	-	-	-	-
36,290	1,958	10,186	1,157	-
-	-	-	-	-
-	-	-	-	-
<u>36,290</u>	<u>3,296</u>	<u>12,658</u>	<u>2,522</u>	<u>9,752</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(36,290)	(3,296)	(12,658)	(2,522)	348,194
-	-	-	-	-
<u>(36,290)</u>	<u>(3,296)</u>	<u>(12,658)</u>	<u>(2,522)</u>	<u>348,194</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>357,946</u>

(continued)

(continued)

	<u>Special Revenue Funds</u>		
	<u>DOI Fund</u>	<u>EPA Fund</u>	<u>School Cafeteria Fund</u>
<u>ASSETS</u>			
Cash and short-term investments	\$ -	\$ -	\$ -
Investments	-	-	-
Departmental receivable	-	-	-
Intergovernmental receivables	-	-	28,694
Loans receivable	-	-	-
Due from other funds	8,526	4,459	-
Inventory	-	-	16,226
	<u>-</u>	<u>-</u>	<u>16,226</u>
Total Assets	\$ <u>8,526</u>	\$ <u>4,459</u>	\$ <u>44,920</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 5,303
Accrued liabilities	-	-	-
Retainage payable	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	31,676
Advance from other fund	-	-	-
Compensated absences	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	36,979
Fund Balances:			
Reserved for encumbrances	-	-	-
Reserved for inventory	-	-	16,226
Reserved for expenditures	-	-	-
Unreserved:			
Undesignated, reported in:			
Special revenue fund	8,526	4,459	(8,285)
Capital projects fund	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>8,526</u>	<u>4,459</u>	<u>7,941</u>
Total Liabilities and Fund Balances	\$ <u>8,526</u>	\$ <u>4,459</u>	\$ <u>44,920</u>

Special Revenue Funds

School Federal Aid Fund	School Special Programs Fund	Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	33,576	2,039
509,864	90,918	-	-	-	-
-	-	-	-	-	-
-	-	-	501,747	54,114	67,150
-	-	-	-	-	-
<u>\$ 509,864</u>	<u>\$ 90,918</u>	<u>\$ -</u>	<u>\$ 501,747</u>	<u>\$ 87,690</u>	<u>\$ 69,189</u>
\$ -	\$ -	\$ -	\$ 4,650	\$ -	\$ 2,454
-	-	-	-	3,872	3,995
-	-	-	-	-	-
-	5,937	-	-	-	-
366,455	81,862	1,391	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>366,455</u>	<u>87,799</u>	<u>1,391</u>	<u>4,650</u>	<u>3,872</u>	<u>6,449</u>
-	-	-	-	-	10,133
-	-	-	-	-	-
-	-	-	-	-	-
143,409	3,119	(1,391)	497,097	83,818	52,607
-	-	-	-	-	-
<u>143,409</u>	<u>3,119</u>	<u>(1,391)</u>	<u>497,097</u>	<u>83,818</u>	<u>62,740</u>
<u>\$ 509,864</u>	<u>\$ 90,918</u>	<u>\$ -</u>	<u>\$ 501,747</u>	<u>\$ 87,690</u>	<u>\$ 69,189</u>

(continued)

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	Special Revenue Funds			
	Police Special Fund	Conservation Fund	Residential Solid Waste Fund	McConnell Center Fund
<u>ASSETS</u>				
Cash and short-term investments	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Departmental receivable	-	105,700	53,994	18,987
Intergovernmental receivables	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	48,739	76,556	110,787	-
Inventory	-	-	10,107	-
Total Assets	\$ <u>48,739</u>	\$ <u>182,256</u>	\$ <u>174,888</u>	\$ <u>18,987</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 106,302	\$ 14,796
Accrued liabilities	-	-	1,413	742
Retainage payable	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Advance from other fund	-	-	-	433,151
Compensated absences	-	-	-	-
Total Liabilities	-	-	107,715	448,689
Fund Balances:				
Reserved for encumbrances	-	-	74,567	39,489
Reserved for inventory	-	-	10,107	-
Reserved for expenditures	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	48,739	182,256	(17,501)	(469,191)
Capital projects fund	-	-	-	-
Total Fund Balances	<u>48,739</u>	<u>182,256</u>	<u>67,173</u>	<u>(429,702)</u>
Total Liabilities and Fund Balances	\$ <u>48,739</u>	\$ <u>182,256</u>	\$ <u>174,888</u>	\$ <u>18,987</u>

Special Revenue Funds

Recreation Programs Fund	Recreation Field Maintenance Fund	Library Fines Fund	Tuition Programs Fund	Vocational Center Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
30	-	-	7,913	-
-	-	-	8,850	-
-	-	-	-	-
279,206	45,926	65,579	25,480	906
-	-	-	-	-
<u>\$ 279,236</u>	<u>\$ 45,926</u>	<u>\$ 65,579</u>	<u>\$ 42,243</u>	<u>\$ 906</u>
\$ 2,457	\$ 1,582	\$ 6,387	\$ -	\$ -
2,837	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,294	1,582	6,387	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
273,942	44,344	59,192	42,243	906
-	-	-	-	-
<u>273,942</u>	<u>44,344</u>	<u>59,192</u>	<u>42,243</u>	<u>906</u>
<u>\$ 279,236</u>	<u>\$ 45,926</u>	<u>\$ 65,579</u>	<u>\$ 42,243</u>	<u>\$ 906</u>

(continued)

(continued)

	Special Revenue Funds			
	School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Subtotals
<u>ASSETS</u>				
Cash and short-term investments	\$ -	\$ -	\$ 1,784,503	\$ 1,784,503
Investments	-	-	2,575,371	2,575,371
Departmental receivable	-	6,329	-	228,568
Intergovernmental receivables	-	-	-	789,398
Loans receivable	-	-	-	396,564
Due from other funds	122,158	93,894	-	2,271,665
Inventory	-	-	-	26,333
	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,333</u>
Total Assets	\$ <u>122,158</u>	\$ <u>100,223</u>	\$ <u>4,359,874</u>	\$ <u>8,072,402</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,212	\$ 84	\$ 356	\$ 169,574
Accrued liabilities	-	-	-	27,236
Retainage payable	-	-	-	-
Deferred revenue	-	-	-	402,501
Due to other funds	-	-	707,667	1,422,270
Advance from other fund	-	-	-	433,151
Compensated absences	-	-	60,429	60,429
	<u>-</u>	<u>-</u>	<u>60,429</u>	<u>60,429</u>
Total Liabilities	1,212	84	768,452	2,515,161
Fund Balances:				
Reserved for encumbrances	34,471	8,121	-	166,781
Reserved for inventory	-	-	-	26,333
Reserved for expenditures	-	-	20,000	20,000
Unreserved:				
Undesignated, reported in:				
Special revenue fund	86,475	92,018	3,571,422	5,344,127
Capital projects fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>120,946</u>	<u>100,139</u>	<u>3,591,422</u>	<u>5,557,241</u>
Total Liabilities and Fund Balances	\$ <u>122,158</u>	\$ <u>100,223</u>	\$ <u>4,359,874</u>	\$ <u>8,072,402</u>

Capital Projects Funds

<u>CIP FY09</u>	<u>CIP FY06</u>	<u>CIP FY05</u>	<u>CIP FY04</u>	<u>CIP FY03</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	135,761	399,801	982,615	41,912
-	-	-	-	-
<u>\$ -</u>	<u>\$ 135,761</u>	<u>\$ 399,801</u>	<u>\$ 982,615</u>	<u>\$ 41,912</u>
\$ -	\$ -	\$ 83,956	\$ 3,840	\$ -
-	-	-	-	-
-	4,000	6,092	-	298
-	-	-	-	-
12,771	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>12,771</u>	<u>4,000</u>	<u>90,048</u>	<u>3,840</u>	<u>298</u>
23,229	662,169	816,261	-	10,600
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(36,000)</u>	<u>(530,408)</u>	<u>(506,508)</u>	<u>978,775</u>	<u>31,014</u>
<u>(12,771)</u>	<u>131,761</u>	<u>309,753</u>	<u>978,775</u>	<u>41,614</u>
<u>\$ -</u>	<u>\$ 135,761</u>	<u>\$ 399,801</u>	<u>\$ 982,615</u>	<u>\$ 41,912</u>

(continued)

(continued)

	Capital Projects Funds			
	CIP FY02	CIP FY01	CIP FY00	Tolend Rd Landfill Closure
<u>ASSETS</u>				
Cash and short-term investments	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Departmental receivable	-	-	-	-
Intergovernmental receivables	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	8,503	98,177	-	1,006,735
Inventory	-	-	-	-
Total Assets	<u>\$ 8,503</u>	<u>\$ 98,177</u>	<u>\$ -</u>	<u>\$ 1,006,735</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 732
Accrued liabilities	-	-	-	1,152
Retainage payable	2,726	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	32,015	-
Advance from other fund	-	-	-	-
Compensated absences	-	-	-	-
Total Liabilities	2,726	-	32,015	1,884
Fund Balances:				
Reserved for encumbrances	4,104	-	-	-
Reserved for inventory	-	-	-	-
Reserved for expenditures	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	-	-	-	-
Capital projects fund	1,673	98,177	(32,015)	1,004,851
Total Fund Balances	<u>5,777</u>	<u>98,177</u>	<u>(32,015)</u>	<u>1,004,851</u>
Total Liabilities and Fund Balances	<u>\$ 8,503</u>	<u>\$ 98,177</u>	<u>\$ -</u>	<u>\$ 1,006,735</u>

Capital Projects Funds

<u>Cocheco River Dredge</u>	<u>Recreation Field Construction</u>	<u>Subtotals</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 1,784,503
-	-	-	2,575,371
-	-	-	228,568
-	-	-	789,398
-	-	-	396,564
-	284,206	2,957,710	5,229,375
-	-	-	26,333
<u>\$ -</u>	<u>\$ 284,206</u>	<u>\$ 2,957,710</u>	<u>\$ 11,030,112</u>
\$ 2,572	\$ 2,362	\$ 93,462	\$ 263,036
-	-	1,152	28,388
14,623	-	27,739	27,739
-	-	-	402,501
138,122	-	182,908	1,605,178
-	-	-	433,151
-	-	-	60,429
155,317	2,362	305,261	2,820,422
641,561	-	2,157,924	2,324,705
-	-	-	26,333
-	-	-	20,000
-	-	-	5,344,127
(796,878)	281,844	494,525	494,525
(155,317)	281,844	2,652,449	8,209,690
<u>\$ -</u>	<u>\$ 284,206</u>	<u>\$ 2,957,710</u>	<u>\$ 11,030,112</u>

CITY OF DOVER, NEW HAMPSHIRE

Non-Major Governmental Funds

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For Fiscal Year Ended June 30, 2008**

	<u>Special Revenue Funds</u>			
	Community Development <u>Fund</u>	Housing Rehab <u>Loan Fund</u>	Economic Development <u>Loan Fund</u>	Police DOJ <u>Fund</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	349,430	-	-	205,949
Current services	27,545	21,449	146,982	-
Miscellaneous	<u>4,850</u>	<u>-</u>	<u>-</u>	<u>20,448</u>
Total Revenues	381,825	21,449	146,982	226,397
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	443,264
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Human services	403,057	5,487	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>403,057</u>	<u>5,487</u>	<u>-</u>	<u>443,264</u>
Excess (deficiency) of revenues over expenditures	(21,232)	15,962	146,982	(216,867)
Other Financing Sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,702</u>
Net change in fund balances	(21,232)	15,962	146,982	39,835
Fund Balances, beginning	<u>(66,365)</u>	<u>140,019</u>	<u>116,638</u>	<u>(19,344)</u>
Fund Balances, ending	<u>\$ (87,597)</u>	<u>\$ 155,981</u>	<u>\$ 263,620</u>	<u>\$ 20,491</u>

Special Revenue Funds

Homeland Security <u>Fund</u>	Police DHA <u>Fund</u>	Police DOT <u>Fund</u>	Police Tobacco <u>Fund</u>	Emergency Management <u>Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
103,457	65,294	38,634	26,930	252,268
-	-	-	2,535	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
103,457	65,294	38,634	29,465	252,268
-	-	-	-	-
65,026	95,701	36,137	31,041	68,248
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
65,026	95,701	36,137	31,041	68,248
38,431	(30,407)	2,497	(1,576)	184,020
-	27,125	-	1,002	36,124
<u>-</u>	<u>27,125</u>	<u>-</u>	<u>1,002</u>	<u>36,124</u>
38,431	(3,282)	2,497	(574)	220,144
(74,721)	(14)	(15,155)	(1,948)	128,050
<u>(74,721)</u>	<u>(14)</u>	<u>(15,155)</u>	<u>(1,948)</u>	<u>128,050</u>
\$ <u>(36,290)</u>	\$ <u>(3,296)</u>	\$ <u>(12,658)</u>	\$ <u>(2,522)</u>	\$ <u>348,194</u>

(continued)

(continued)

	Special Revenue Funds		
	DOI Fund	EPA Fund	School Cafeteria Fund
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	386,853
Current services	-	-	909,260
Miscellaneous	-	-	41,243
Total Revenues	-	-	1,337,356
Expenditures:			
Current:			
General government	-	10,691	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Education	-	-	1,428,494
Human services	-	-	-
Debt service	-	-	-
Total Expenditures	-	10,691	1,428,494
Excess (deficiency) of revenues over expenditures	-	(10,691)	(91,138)
Other Financing Sources:			
Transfers in	-	-	-
Net change in fund balances	-	(10,691)	(91,138)
Fund Balances, beginning	8,526	15,150	99,079
Fund Balances, ending	\$ 8,526	\$ 4,459	\$ 7,941

Special Revenue Funds

School Federal Aid <u>Fund</u>	School Special Programs <u>Fund</u>	Dover Main Street <u>Fund</u>	Planning Improvements <u>Fund</u>	Police and Fire <u>Detail</u>	Parking Activity <u>Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,715,918	-	-	-	-	-
-	591,314	35,688	326,454	246,296	283,764
-	-	-	-	-	139
<u>2,715,918</u>	<u>591,314</u>	<u>35,688</u>	<u>326,454</u>	<u>246,296</u>	<u>283,903</u>
-	-	34,706	-	-	-
-	-	-	-	190,010	318,924
-	-	-	27,138	-	-
-	-	-	-	-	-
2,650,216	594,050	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,650,216</u>	<u>594,050</u>	<u>34,706</u>	<u>27,138</u>	<u>190,010</u>	<u>318,924</u>
65,702	(2,736)	982	299,316	56,286	(35,021)
-	-	-	-	-	-
65,702	(2,736)	982	299,316	56,286	(35,021)
77,707	5,855	(2,373)	197,781	27,532	97,761
<u>\$ 143,409</u>	<u>\$ 3,119</u>	<u>\$ (1,391)</u>	<u>\$ 497,097</u>	<u>\$ 83,818</u>	<u>\$ 62,740</u>

(continued)

(continued)

	Special Revenue Funds			
	Police Special Fund	Conservation Fund	Residential Solid Waste Fund	McConnell Center Fund
Revenues:				
Taxes	\$ -	\$ 376,167	\$ -	\$ -
Licenses and permits	1,430	-	-	-
Intergovernmental	-	-	-	-
Current services	-	-	1,046,148	163,287
Miscellaneous	<u>26,720</u>	<u>3</u>	<u>545</u>	<u>-</u>
Total Revenues	28,150	376,170	1,046,693	163,287
Expenditures:				
Current:				
General government	-	564,217	-	-
Public safety	-	-	-	-
Public works	-	-	1,022,774	-
Culture and recreation	-	-	-	333,458
Education	-	-	-	-
Human services	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,194</u>
Total Expenditures	<u>-</u>	<u>564,217</u>	<u>1,022,774</u>	<u>742,652</u>
Excess (deficiency) of revenues over expenditures	28,150	(188,047)	23,919	(579,365)
Other Financing Sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,463</u>
Net change in fund balances	28,150	(188,047)	23,919	(353,902)
Fund Balances, beginning	<u>20,589</u>	<u>370,303</u>	<u>43,254</u>	<u>(75,800)</u>
Fund Balances, ending	<u>\$ 48,739</u>	<u>\$ 182,256</u>	<u>\$ 67,173</u>	<u>\$ (429,702)</u>

Special Revenue Funds

Recreation Programs <u>Fund</u>	Recreation Field Maintenance <u>Fund</u>	Library Fines <u>Fund</u>	Tuition Programs <u>Fund</u>	Vocational Center <u>Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	8,850	-
188,004	6,604	40,631	361,305	-
500	-	-	-	-
<u>188,504</u>	<u>6,604</u>	<u>40,631</u>	<u>370,155</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
109,197	36,044	38,498	-	-
-	-	-	333,753	-
-	-	-	-	-
-	-	-	-	-
<u>109,197</u>	<u>36,044</u>	<u>38,498</u>	<u>333,753</u>	<u>-</u>
79,307	(29,440)	2,133	36,402	-
-	-	-	-	-
<u>79,307</u>	<u>(29,440)</u>	<u>2,133</u>	<u>36,402</u>	<u>-</u>
194,635	73,784	57,059	5,841	906
<u>\$ 273,942</u>	<u>\$ 44,344</u>	<u>\$ 59,192</u>	<u>\$ 42,243</u>	<u>\$ 906</u>

(continued)

(continued)

	Special Revenue Funds			
	School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Subtotals
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 376,167
Licenses and permits	-	-	-	1,430
Intergovernmental	-	-	-	4,153,583
Current services	313,222	114,286	18,527	4,843,301
Miscellaneous	-	-	233,334	327,782
Total Revenues	313,222	114,286	251,861	9,702,263
Expenditures:				
Current:				
General government	-	-	-	609,614
Public safety	-	-	154,892	1,403,243
Public works	-	-	2,130	1,052,042
Culture and recreation	-	-	2,550	519,747
Education	739,318	107,721	2,331	5,855,883
Human services	-	-	-	408,544
Debt service	-	-	-	409,194
Total Expenditures	739,318	107,721	161,903	10,258,267
Excess (deficiency) of revenues over expenditures	(426,096)	6,565	89,958	(556,004)
Other Financing Sources:				
Transfers in	447,000	-	68,000	1,061,416
Net change in fund balances	20,904	6,565	157,958	505,412
Fund Balances, beginning	100,042	93,574	3,433,464	5,051,829
Fund Balances, ending	\$ 120,946	\$ 100,139	\$ 3,591,422	\$ 5,557,241

Capital Projects Funds

<u>CIP FY09</u>	<u>CIP FY06</u>	<u>CIP FY05</u>	<u>CIP FY04</u>	<u>CIP FY03</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	361,898	-	-
-	19,067	900	-	-
12,771	448,408	329,606	50,970	8,143
-	6,357	-	7,960	-
-	22,450	-	-	-
-	-	-	-	-
-	-	-	-	-
12,771	496,282	692,404	58,930	8,143
(12,771)	(496,282)	(692,404)	(58,930)	(8,143)
-	-	-	-	-
(12,771)	(496,282)	(692,404)	(58,930)	(8,143)
-	628,043	1,002,157	1,037,705	49,757
\$ (12,771)	\$ 131,761	\$ 309,753	\$ 978,775	\$ 41,614

(continued)

(continued)

	Capital Projects Funds			
	CIP FY02	CIP FY01	CIP FY00	Tolend Rd Landfill Closure
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Current services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	690	-
Public safety	-	-	-	-
Public works	8,119	-	180	804,364
Culture and recreation	27,254	-	198	-
Education	-	-	-	-
Human services	-	-	-	-
Debt service - interest	-	-	-	-
Total Expenditures	35,373	-	1,068	804,364
Excess (deficiency) of revenues over expenditures	(35,373)	-	(1,068)	(804,364)
Other Financing Sources:				
Transfers in	-	-	-	-
Net change in fund balances	(35,373)	-	(1,068)	(804,364)
Fund Balances, beginning	41,150	98,177	(30,947)	1,809,215
Fund Balances, ending	\$ 5,777	\$ 98,177	\$ (32,015)	\$ 1,004,851

Capital Projects Funds

<u>Cochecho River Dredge</u>	<u>Recreation Field Construction</u>	<u>Subtotals</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 376,167
-	-	-	1,430
-	-	-	4,153,583
1,208,440	-	1,208,440	6,051,741
<u>-</u>	<u>163,971</u>	<u>163,971</u>	<u>491,753</u>
1,208,440	163,971	1,372,411	11,074,674
-	-	362,588	972,202
-	-	19,967	1,423,210
31,119	132,926	1,826,606	2,878,648
-	11,733	53,502	573,249
-	-	22,450	5,878,333
-	-	-	408,544
<u>-</u>	<u>-</u>	<u>-</u>	<u>409,194</u>
<u>31,119</u>	<u>144,659</u>	<u>2,285,113</u>	<u>12,543,380</u>
1,177,321	19,312	(912,702)	(1,468,706)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,061,416</u>
1,177,321	19,312	(912,702)	(407,290)
<u>(1,332,638)</u>	<u>262,532</u>	<u>3,565,151</u>	<u>8,616,980</u>
\$ <u>(155,317)</u>	\$ <u>281,844</u>	\$ <u>2,652,449</u>	\$ <u>8,209,690</u>

Detail and Combining Budget and Actual Schedules

General Fund

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include, among other items: General government, public safety, public works, culture and recreation, education, human services, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

CITY OF DOVER, NEW HAMPSHIRE

**Detail Schedule of Revenues and Other Financing Sources -
Budget and Actual - General Fund
For the Year Ended June 30, 2008**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual (Budgetary Basis)	
<u>Taxes</u>				
Property taxes	\$ 55,059,717	\$ 55,059,717	\$ 55,059,717	\$ -
Boat tax	20,000	20,000	17,595	(2,405)
Yield tax	2,000	2,000	15,319	13,319
Payment in lieu of taxes	55,000	55,000	33,579	(21,421)
Activity tax	-	-	3,581	3,581
National bank stock tax	10	10	-	(10)
Tax interest and penalties	195,000	195,000	266,157	71,157
Total Taxes	55,331,727	55,331,727	55,395,948	64,221
<u>Licenses and Permits</u>				
Health licenses and permits	30,000	30,000	29,984	(16)
Building permits	275,000	275,000	382,912	107,912
Peddlers and vendors licenses	820	820	920	100
Motor vehicle permits	3,970,000	3,970,000	3,803,303	(166,697)
Electrical permits	70,000	70,000	73,663	3,663
Plumbing permits	65,000	64,690	113,762	49,072
Trailer park permits	175	175	150	(25)
Fire and rescue permits	2,300	2,300	2,885	585
Dog licenses	17,403	17,403	17,776	373
Marriage license fees	2,450	2,450	1,168	(1,282)
Birth, death and marriage certificates	23,490	23,490	19,216	(4,274)
Miscellaneous licenses and permits	7,890	7,890	8,722	832
Taxi licenses	1,435	1,435	1,240	(195)
Video and arcade licenses	1,380	1,380	1,215	(165)
Total Licenses and Permits	4,467,343	4,467,033	4,456,916	(10,117)
<u>Intergovernmental</u>				
Shared revenue block grant	600,243	600,243	600,243	-
Rooms and meals distribution	1,211,494	1,211,494	1,211,494	-
Federal grant reimbursement	9,000	9,000	8,244	(756)
State reimbursement	31,196	31,196	28,317	(2,879)
Highway block grant	458,979	458,979	482,950	23,971
Miscellaneous Intergovernmental	3,500	3,500	42,342	38,842
Total Intergovernmental	2,314,412	2,314,412	2,373,590	59,178

(continued)

(continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual (Budgetary Basis)	
<u>Current Services</u>				
Sales and service charges	119,135	119,095	119,389	294
Copy sales	400	400	588	188
Ambulance services	659,000	659,000	700,331	41,331
Interment charges	42,020	42,020	27,300	(14,720)
Headstone foundations	5,000	5,000	5,610	610
Recreation charges	116,125	116,125	89,820	(26,305)
Non-resident charges	15,136	15,136	18,182	3,046
Department overhead allocations	223,300	223,300	223,300	-
Miscellaneous service charges	26,477	26,477	36,197	9,720
Total Current Services	1,206,593	1,206,553	1,220,717	14,164
<u>Education</u>				
Education revenue	12,389,888	12,389,888	11,954,934	(434,954)
Total Education Income	12,389,888	12,389,888	11,954,934	(434,954)
<u>Miscellaneous</u>				
Miscellaneous revenue	12,380	61,107	231,907	170,800
District court receipts	25,000	25,000	24,224	(776)
Miscellaneous fines and forfeits	12,680	12,680	9,870	(2,810)
Insurance proceeds	-	-	101,260	101,260
Sale of city property	60,925	60,925	91,819	30,894
Fundraising	600	600	1,173	573
Investment income	800,000	800,000	1,284,262	484,262
Facilities rental	128,432	128,432	141,507	13,075
Interest on arrears	-	-	1,486	1,486
Equipment rental	7,000	7,000	1,000	(6,000)
Total Miscellaneous	1,047,017	1,095,744	1,888,508	792,764
<u>Other Financing Sources</u>				
Use of fund balance	-	163,193	163,193	-
Transfers in	32,000	32,000	32,000	-
Total Other Financing Sources	32,000	195,193	195,193	-
Total Revenues and Other Financing Sources	\$ 76,788,980	\$ 77,000,550	\$ 77,485,806	\$ 485,256

CITY OF DOVER, NEW HAMPSHIRE

**Detail Schedule of Expenditures and Other Financing Uses
Budget and Actual - General Fund
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
<u>General Government</u>				
City Council	\$ 171,606	\$ 171,606	\$ 165,260	\$ 6,346
Executive	993,793	973,793	880,879	92,914
Finance	1,115,768	1,148,269	1,107,325	40,944
Planning	869,031	869,031	814,858	54,173
Miscellaneous	793,300	809,177	725,145	84,032
Total General Government	3,943,498	3,971,876	3,693,467	278,409
<u>Public Safety</u>				
Police	6,666,575	6,436,391	6,316,222	120,169
Fire and rescue	5,408,171	5,466,171	5,465,009	1,162
Total Public Safety	12,074,746	11,902,562	11,781,231	121,331
<u>Public Works</u>				
Community Services - Public Works	4,832,705	4,832,705	4,689,354	143,351
Total Public Works	4,832,705	4,832,705	4,689,354	143,351
<u>Culture and Recreation</u>				
Community Services - Recreation	1,346,809	1,366,809	1,365,082	1,727
Public Library	1,136,872	1,136,872	1,079,638	57,234
Total Culture and Recreation	2,483,681	2,503,681	2,444,720	58,961
<u>Human Services</u>				
Human Services	697,239	697,239	670,877	26,362
Total Human Services	697,239	697,239	670,877	26,362
<u>Education</u>				
School Department	37,912,706	37,912,706	37,435,730	476,976
Total Education	37,912,706	37,912,706	37,435,730	476,976

(continued)

(continued)

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Debt Service</u>				
Principal	5,438,756	5,716,190	5,989,588	(273,398)
Interest	<u>3,383,428</u>	<u>3,441,370</u>	<u>3,146,722</u>	<u>294,648</u>
Total Debt Service	8,822,184	9,157,560	9,136,310	21,250
<u>Intergovernmental</u>				
County tax	<u>5,922,221</u>	<u>5,922,221</u>	<u>5,922,221</u>	<u>-</u>
Total Intergovernmental	<u>5,922,221</u>	<u>5,922,221</u>	<u>5,922,221</u>	<u>-</u>
<u>Transfers</u>				
Transfer out	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Transfers	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 76,788,980</u>	<u>\$ 77,000,550</u>	<u>\$ 75,873,910</u>	<u>\$ 1,126,640</u>

CITY OF DOVER, NEW HAMPSHIRE
Combining Schedule of Revenues and Expenditures
Budget and Actual
Annually Budgeted Non-Major Governmental Funds
For the Year Ended June 30, 2008

	Parking Activity		Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Charges for services	\$ 319,456	\$ 283,764	\$ (35,692)
Intergovernmental	-	-	-
Miscellaneous	-	139	139
Other financing sources	-	-	-
Total Revenues	319,456	283,903	(35,553)
Expenditures:			
Public safety	319,456	309,284	10,172
Education	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Total Expenditures	319,456	309,284	10,172
Excess of revenues and other financing sources over (under) expenditures	\$ -	\$ (25,381)	\$ (25,381)

Residential Solid Waste			Library Fines		
<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
\$ 1,113,110	\$ 1,046,148	\$ (66,962)	\$ 41,500	\$ 40,631	\$ (869)
-	-	-	-	-	-
-	545	545	-	-	-
-	-	-	51,500	51,500	-
1,113,110	1,046,693	(66,417)	93,000	92,131	(869)
-	-	-	-	-	-
-	-	-	-	-	-
1,113,110	1,093,950	19,160	-	-	-
-	-	-	93,000	38,498	54,502
-	-	-	-	-	-
1,113,110	1,093,950	19,160	93,000	38,498	54,502
\$ -	\$ (47,257)	\$ (47,257)	\$ -	\$ 53,633	\$ 53,633

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2008

(continued)

	Tuition Programs		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:			
Charges for services	\$ 488,208	\$ 361,305	\$ (126,903)
Intergovernmental	-	8,850	8,850
Miscellaneous revenue	-	-	-
Other financing sources	-	-	-
Total Revenues	488,208	370,155	(118,053)
Expenditures:			
Public safety	-	-	-
Education	488,208	333,753	154,455
Public works	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Total Expenditures	488,208	333,753	154,455
Excess of revenues and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>36,402</u>	\$ <u>36,402</u>

School Alternative Education			School Facilities		
<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
\$ 350,750	\$ 313,222	\$ (37,528)	\$ 113,000	\$ 114,286	\$ 1,286
-	-	-	-	-	-
-	-	-	-	-	-
<u>408,250</u>	<u>447,000</u>	<u>38,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
759,000	760,222	1,222	113,000	114,286	1,286
-	-	-	-	-	-
759,000	773,789	(14,789)	113,000	95,992	17,008
-	-	-	-	-	-
-	-	-	-	-	-
<u>759,000</u>	<u>773,789</u>	<u>(14,789)</u>	<u>113,000</u>	<u>95,992</u>	<u>17,008</u>
\$ <u>-</u>	\$ <u>(13,567)</u>	\$ <u>(13,567)</u>	\$ <u>-</u>	\$ <u>18,294</u>	\$ <u>18,294</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE
Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2008

(continued)

	McConnell Center		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:			
Charges for services	\$ 236,552	\$ 163,287	\$ (73,265)
Intergovernmental	-	-	-
Miscellaneous	-	-	-
Other financing sources	<u>225,463</u>	<u>225,463</u>	<u>-</u>
Total Revenues	462,015	388,750	(73,265)
Expenditures:			
Public safety	-	-	-
Education	-	-	-
Public works	-	-	-
Culture and recreation	257,909	330,216	(72,307)
Debt service	<u>204,106</u>	<u>409,194</u>	<u>(205,088)</u>
Total Expenditures	<u>462,015</u>	<u>739,410</u>	<u>(277,395)</u>
Excess of revenues and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>(350,660)</u>	\$ <u>(350,660)</u>

Police DHA Fund			School Cafeteria		
<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ 1,297,756	\$ 909,260	\$ (388,496)
70,000	65,294	(4,706)	-	386,853	386,853
-	-	-	-	41,243	41,243
<u>27,125</u>	<u>27,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
97,125	92,419	(4,706)	1,297,756	1,337,356	39,600
97,125	95,701	1,424	-	-	-
-	-	-	1,297,756	1,428,494	(130,738)
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>97,125</u>	<u>95,701</u>	<u>1,424</u>	<u>1,297,756</u>	<u>1,428,494</u>	<u>(130,738)</u>
\$ <u>-</u>	\$ <u>(3,282)</u>	\$ <u>(3,282)</u>	\$ <u>-</u>	\$ <u>(91,138)</u>	\$ <u>(91,138)</u>

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Enterprise Funds

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

Arena Fund: To account for the operations of the Dover Ice Arena.

DBIDA Fund: To account for the economic development projects of the Dover Business Industrial Development Authority (DBIDA), which operates under RSA 162-G.

No annual budget is adopted for the DBIDA Fund.

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2008

		Water Fund	
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 3,917,519	\$ 3,864,482	\$ (53,037)
Other	<u>21,000</u>	<u>57,013</u>	<u>36,013</u>
Total Operating Revenues	3,938,519	3,921,495	(17,024)
Operating Expenses:			
Personnel services	1,241,033	1,414,886	(173,853)
Purchased services	206,758	198,362	8,396
Supplies and materials	451,832	531,925	(80,093)
Minor equipment	60,000	13,355	46,645
Other	99,090	120,839	(21,749)
Depreciation	<u>879,297</u>	<u>644,602</u>	<u>234,695</u>
Total Operating Expenses	<u>2,938,010</u>	<u>2,923,969</u>	<u>14,041</u>
Operating Income (Loss)	1,000,509	997,526	(2,983)
Non-Operating Income (Expenses):			
Interest expense	(550,509)	(522,187)	28,322
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(550,509)</u>	<u>(522,187)</u>	<u>28,322</u>
Net Income (Loss) Before Transfers	450,000	475,339	25,339
Other Financing Sources and Uses:			
Use of retained earnings	-	-	-
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Net Income (Loss)	\$ <u>-</u>	\$ <u>25,339</u>	\$ <u>25,339</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2008

(continued)

		Sewer Fund	
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 4,150,146	\$ 3,994,007	\$ (156,139)
Other	32,000	9,729	(22,271)
Total Operating Revenues	4,182,146	4,003,736	(178,410)
Operating Expenses:			
Personnel services	1,340,369	1,226,150	114,219
Purchased services	216,647	162,366	54,281
Supplies and materials	916,144	868,425	47,719
Minor equipment	-	-	-
Other	117,600	131,073	(13,473)
Depreciation	1,897,220	1,992,686	(95,466)
Total Operating Expenses	4,487,980	4,380,700	107,280
Operating Income (Loss)	(305,834)	(376,964)	(71,130)
Non-Operating Income (Expenses):			
Interest expense	(630,206)	(569,255)	60,951
Intergovernmental	272,971	240,877	(32,094)
Total Non-Operating Income (Expenses)	(357,235)	(328,378)	28,857
Net Income (Loss) Before Transfers	(663,069)	(705,342)	(42,273)
Other Financing Sources and Uses:			
Use of retained earnings	1,063,069	1,063,069	-
Transfers out	(400,000)	(400,000)	-
Total Other Financing Sources and Uses	663,069	663,069	-
Net Income (Loss)	\$ -	\$ (42,273)	\$ (42,273)

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2008

(continued)	Arena Fund		
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 1,588,615	\$ 1,480,636	\$ (107,979)
Other	<u>28,874</u>	<u>69,192</u>	<u>40,318</u>
Total Operating Revenues	1,617,489	1,549,828	(67,661)
Operating Expenses:			
Personnel services	545,905	551,641	(5,736)
Purchased services	109,054	111,344	(2,290)
Supplies and materials	447,550	399,111	48,439
Minor equipment	-	-	-
Other	233,173	86,860	146,313
Depreciation	<u>142,534</u>	<u>140,282</u>	<u>2,252</u>
Total Operating Expenses	<u>1,478,216</u>	<u>1,289,238</u>	<u>188,978</u>
Operating Income (Loss)	139,273	260,590	121,317
Non-Operating Income (Expenses):			
Interest expense	(139,273)	(136,988)	2,285
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(139,273)</u>	<u>(136,988)</u>	<u>2,285</u>
Net Income (Loss) Before Transfers	-	123,602	123,602
Other Financing Sources and Uses:			
Use of retained earnings	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ 123,602</u>	<u>\$ 123,602</u>

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INTERNAL SERVICE FUNDS

- DoverNet Fund - To account for the costs related to the operations of the information technology network and the allocation of these costs to the various funds and functions.
- Central Stores Fund - To account for the costs related to the supplies, copiers and postage and the allocation of these costs to the various funds and functions based on actual use.
- Fleet Maintenance Fund - To account for the maintenance costs related to the vehicle fleet and the allocation of these costs to the various funds and functions based on actual use.
- Workers Compensation Fund - To account for the cost of administration, insurance and claims for workers compensation and the allocation of these costs to the various funds and functions based on historical wage and claims history.

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

**Combining Statement of Net Assets
June 30, 2008**

	<u>Dover Net Fund</u>	<u>Central Stores Fund</u>	<u>Fleet Maintenance Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
<u>ASSETS</u>					
Current:					
Departmental and other receivables	\$ 53,247	\$ -	\$ 6,007	\$ -	\$ 59,254
Due from other funds	260,854	55,758	72,037	708,535	1,097,184
Inventory	<u>-</u>	<u>-</u>	<u>55,581</u>	<u>-</u>	<u>55,581</u>
Total Assets	314,101	55,758	133,625	708,535	1,212,019
<u>LIABILITIES</u>					
Current:					
Accounts payable	8,593	6,129	17,539	438	32,699
Accrued liabilities	2,708	-	6,215	-	8,923
Claims liability	-	-	-	238,668	238,668
Compensated absences	<u>8,209</u>	<u>-</u>	<u>18,566</u>	<u>-</u>	<u>26,775</u>
Total Current Liabilities	19,510	6,129	42,320	239,106	307,065
Non-current:					
Claims liability, net of current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>358,001</u>	<u>358,001</u>
Total Liabilities	19,510	6,129	42,320	597,107	665,066
<u>NET ASSETS</u>					
Restricted for capital projects	181,578	-	-	-	181,578
Unrestricted	<u>113,013</u>	<u>49,629</u>	<u>91,305</u>	<u>111,428</u>	<u>365,375</u>
Total Net Assets	\$ <u>294,591</u>	\$ <u>49,629</u>	\$ <u>91,305</u>	\$ <u>111,428</u>	\$ <u>546,953</u>

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

**Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For Fiscal Year Ended June 30, 2008**

	<u>Dover Net Fund</u>	<u>Central Stores Fund</u>	<u>Fleet Maintenance Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
Operating Revenues:					
Charges for services	\$ 259,907	\$ 92,728	\$ 568,003	\$ 390,033	\$ 1,310,671
Miscellaneous	<u>51,728</u>	<u>-</u>	<u>25,284</u>	<u>25,416</u>	<u>102,428</u>
Total Operating Revenues	311,635	92,728	593,287	415,449	1,413,099
Operating Expenses:					
Personal services	148,414	-	379,177	74,421	602,012
Purchased services	61,367	58,480	5,495	188,608	313,950
Supplies	3,487	26,741	10,762	-	40,990
Minor equipment	83,922	-	-	-	83,922
Other expenses	<u>-</u>	<u>-</u>	<u>225,005</u>	<u>20,869</u>	<u>245,874</u>
Total Operating Expenses	<u>297,190</u>	<u>85,221</u>	<u>620,439</u>	<u>283,898</u>	<u>1,286,748</u>
Operating Income (Loss)	14,445	7,507	(27,152)	131,551	126,351
Nonoperating Revenues:					
Intergovernmental	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,000</u>
Change in Net Assets	23,445	7,507	(27,152)	131,551	135,351
Net Assets at Beginning of Year	<u>271,146</u>	<u>42,122</u>	<u>118,457</u>	<u>(20,123)</u>	<u>411,602</u>
Net Assets at End of Year	\$ <u><u>294,591</u></u>	\$ <u><u>49,629</u></u>	\$ <u><u>91,305</u></u>	\$ <u><u>111,428</u></u>	\$ <u><u>546,953</u></u>

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2008

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	Total
Cash Flows From Operating Activities:					
Receipts from customers and users for services	\$ 324,767	\$ 92,728	\$ 587,280	\$ 415,449	\$ 1,420,224
Payments to vendors and contractors	(159,235)	(85,431)	(19,223)	(210,981)	(474,870)
Payments of employee salaries and benefits	(147,514)	-	(598,624)	(109,805)	(855,943)
Receipts for interfund service provided	-	-	30,567	(94,663)	(64,096)
Payments for interfund service provided	(27,018)	(7,297)	-	-	(34,315)
Net Cash Provided By (Used For) Operating Activities	(9,000)	-	-	-	(9,000)
Cash Flows From Noncapital Financing Activities:					
Intergovernmental subsidy	9,000	-	-	-	9,000
Net Cash Provided By Noncapital Financing Activities	9,000	-	-	-	9,000
Cash and Short Term Investments, Beginning of Year	-	-	-	-	-
Cash and Short Term Investments, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of Operating Income to Net Cash					
Provided by (Used For) Operating Activities:					
Operating income (loss)	\$ 14,445	\$ 7,507	\$ (27,152)	\$ 131,551	\$ 126,351
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Changes in assets and liabilities:					
Inventory	-	-	3,811	-	3,811
Departmental and other receivables	13,132	-	(6,007)	-	7,125
Intefund receivables/payables	(27,018)	(7,297)	30,567	(94,663)	(98,411)
Other assets	-	-	3,827	-	3,827
Accounts payable	(10,460)	(210)	(6,777)	(1,504)	(18,951)
Accrued liabilities	575	-	660	(35,384)	(34,149)
Compensated absences	326	-	1,071	-	1,397
Net Cash Provided By (Used For) Operating Activities:	\$ (9,000)	\$ -	\$ -	\$ -	\$ (9,000)

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2008

	Dover Net Fund		
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Charges for services	\$ 261,147	\$ 259,907	\$ (1,240)
Other revenue	<u>255,000</u>	<u>51,728</u>	<u>(203,272)</u>
Total Operating Revenues	516,147	311,635	(204,512)
Operating Expenses:			
Personnel services	145,596	148,414	(2,818)
Purchased services	83,096	83,649	(553)
Supplies and materials	3,487	3,487	-
Minor equipment	283,968	99,074	184,894
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>516,147</u>	<u>334,624</u>	<u>181,523</u>
Operating Income (Loss)	-	(22,989)	(22,989)
Use of retained earnings	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ (22,989)</u>	<u>\$ (22,989)</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2008

(continued)

	Central Stores Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 105,200	\$ 92,728	\$ (12,472)
Other revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	105,200	92,728	(12,472)
Operating Expenses:			
Personnel services	-	-	-
Purchased services	67,150	58,480	8,670
Supplies and materials	38,050	26,443	11,607
Minor equipment	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>105,200</u>	<u>84,923</u>	<u>20,277</u>
Operating Income (Loss)	-	7,805	7,805
Use of retained earnings	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ 7,805</u>	<u>\$ 7,805</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2008

(continued)

	Fleet Maintenance Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 517,619	\$ 568,003	\$ 50,384
Other revenue	<u>23,825</u>	<u>25,284</u>	<u>1,459</u>
Total Operating Revenues	541,444	593,287	51,843
Operating Expenses:			
Personnel services	405,182	379,177	26,005
Purchased services	3,381	2,748	633
Supplies and materials	14,469	10,762	3,707
Minor equipment	500	-	500
Other	<u>172,180</u>	<u>225,053</u>	<u>(52,873)</u>
Total Operating Expenses	<u>595,712</u>	<u>617,740</u>	<u>(22,028)</u>
Operating Income (Loss)	(54,268)	(24,453)	29,815
Use of retained earnings	<u>54,268</u>	<u>54,268</u>	<u>-</u>
Net Income (Loss)	\$ <u>-</u>	\$ <u>29,815</u>	\$ <u>29,815</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2008

(continued)

	Workers Compensation Fund		
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Charges for services	\$ 390,872	\$ 390,033	\$ (839)
Other revenue	<u>-</u>	<u>25,416</u>	<u>25,416</u>
Total Operating Revenues	390,872	415,449	24,577
Operating Expenses:			
Personnel services	332,872	74,421	258,451
Purchased services	27,000	189,144	(162,144)
Supplies and materials	-	-	-
Minor equipment	-	-	-
Other	<u>31,000</u>	<u>20,869</u>	<u>10,131</u>
Total Operating Expenses	<u>390,872</u>	<u>284,434</u>	<u>106,438</u>
Operating Income (Loss)	-	131,015	131,015
Use of retained earnings	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ 131,015</u>	<u>\$ 131,015</u>

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Agency Funds:

- **Performance Bonds:** To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the required.
- **Chamber of Commerce:** To account for funds received from Chamber of Commerce for its Riverwalk Project.
- **Department Agency:** To account for funds received from other organizations for activities administered by various City departments.
- **School Agency:** To account for funds received from other organizations for activities administered by the Dover School Department.

Private Purpose Funds:

- **Cemetery** - To account for private donations left in trust to maintain graves and provide flowers.
- **Parks and Recreation** - To account for private donations left in trust to assist individuals attending various recreational programs.
- **Welfare** - To account for private donations left in trust for the benefit of low or moderate income individuals.
- **School** - To account for private donations left in trust mainly for the benefit of providing scholarships to high school graduates.

CITY OF DOVER, NEW HAMPSHIRE

Agency Funds

Combining Statement of Assets and Liabilities

June 30, 2008

	Performance <u>Deposits</u>	Chamber of <u>Commerce</u>	Department <u>Agency</u>	School <u>Agency</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and short-term investments	\$ -	\$ -	\$ -	\$ 344,372	\$ 344,372
Due from other funds	<u>800,606</u>	<u>3,083</u>	<u>29,527</u>	<u>14,590</u>	<u>847,806</u>
Total Assets	\$ <u>800,606</u>	\$ <u>3,083</u>	\$ <u>29,527</u>	\$ <u>358,962</u>	\$ <u>1,192,178</u>
<u>LIABILITIES</u>					
Other liabilities	\$ <u>800,606</u>	\$ <u>3,083</u>	\$ <u>29,527</u>	\$ <u>358,962</u>	\$ <u>1,192,178</u>
Total Liabilities	\$ <u>800,606</u>	\$ <u>3,083</u>	\$ <u>29,527</u>	\$ <u>358,962</u>	\$ <u>1,192,178</u>

CITY OF DOVER, NEW HAMPSHIRE

Agency Funds

**Combining Statement of Changes
in Assets and Liabilities
For the Fiscal Year Ended June 30, 2008**

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
<u>Performance Deposits</u>				
Assets - due from other funds	\$ 738,701	\$ 608,940	\$ (547,035)	\$ 800,606
Liabilities - other liabilities	\$ 738,701	\$ 608,940	\$ (547,035)	\$ 800,606
<u>Chamber of Commerce</u>				
Assets - due from other funds	\$ 3,083	\$ -	\$ -	\$ 3,083
Liabilities - other liabilities	\$ 3,083	\$ -	\$ -	\$ 3,083
<u>Department Agency</u>				
Assets - due from other funds	\$ 21,415	\$ 97,882	\$ (89,770)	\$ 29,527
Liabilities - other liabilities	\$ 21,415	\$ 97,882	\$ (89,770)	\$ 29,527
<u>School Agency</u>				
Assets - cash	\$ 317,102	\$ 608,142	\$ (580,872)	\$ 344,372
Assets - due from other funds	4,154	43,881	(33,445)	14,590
Total Assets	\$ 321,256	\$ 652,023	\$ (614,317)	\$ 358,962
Liabilities - other liabilities	\$ 321,256	\$ 652,023	\$ (614,317)	\$ 358,962
<u>Totals</u>				
Assets - cash	\$ 317,102	\$ 608,142	\$ (580,872)	\$ 344,372
Assets - due from other funds	767,353	750,703	(670,250)	847,806
Total Assets	\$ 1,084,455	\$ 1,358,845	\$ (1,251,122)	\$ 1,192,178
Liabilities - other liabilities	\$ 1,084,455	\$ 1,358,845	\$ (1,251,122)	\$ 1,192,178

CITY OF DOVER, NEW HAMPSHIRE
Private Purpose Trust Funds
Combining Statement of Fiduciary Net Assets
June 30, 2008

	<u>Cemetery</u>	<u>Parks and Recreation</u>	<u>Welfare</u>	<u>School</u>	<u>Total</u>
<u>ASSETS</u>					
Due from other funds	\$ <u>154,689</u>	\$ <u>43,481</u>	\$ <u>114,043</u>	\$ <u>389,475</u>	\$ <u>701,688</u>
Total Assets	154,689	43,481	114,043	389,475	701,688
<u>LIABILITIES AND NET ASSETS</u>					
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET ASSETS</u>					
Total Net Assets Held in Trust	\$ <u><u>154,689</u></u>	\$ <u><u>43,481</u></u>	\$ <u><u>114,043</u></u>	\$ <u><u>389,475</u></u>	\$ <u><u>701,688</u></u>

CITY OF DOVER, NEW HAMPSHIRE

Private Purpose Trust Funds

**Combining Statement of Changes
in Fiduciary Net Assets
For Fiscal Year Ended June 30, 2008**

	<u>Cemetery</u>	<u>Parks and Recreation</u>	<u>Welfare</u>	<u>School</u>	<u>Total</u>
Additions:					
Contributions	\$ 569	\$ -	\$ -	\$ 53,425	\$ 53,994
Investment income	<u>8,358</u>	<u>2,466</u>	<u>7,549</u>	<u>24,131</u>	<u>42,504</u>
Total Additions	8,927	2,466	7,549	77,556	96,498
Deductions:					
Disbursements by agent	<u>866</u>	<u>90</u>	<u>2,354</u>	<u>11,591</u>	<u>14,901</u>
Total Deductions	<u>866</u>	<u>90.00</u>	<u>2,354</u>	<u>11,591</u>	<u>14,901</u>
Net Increase	8,061	2,376	5,195	65,965	81,597
Net Assets:					
Beginning of Year	<u>146,630</u>	<u>41,106</u>	<u>108,848</u>	<u>323,507</u>	<u>620,091</u>
End of Year	<u>\$ 154,691</u>	<u>\$ 43,482</u>	<u>\$ 114,043</u>	<u>\$ 389,472</u>	<u>\$ 701,688</u>

STATISTICAL SECTION

CITY OF DOVER, NEW HAMPSHIRE

STATISTICAL SECTION

The City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	132-141
Revenue Capacity	
<i>These schedules contain information to help reader assess the government's most significant local revenue source, the property tax.</i>	142-147
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	148-150
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	151-152
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	153-158

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Dover, New Hampshire

Net Assets by Component

Last Ten Fiscal Years (2)

(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental Activities						
Invested in capital assets, net of related debt (1)	\$ 47,842,554	\$ 50,841,722	\$ 53,992,080	\$ 56,387,047	\$ 57,412,322	\$ 60,502,720
Restricted	449,317	467,560	135,140	135,519	220,907	706,657
Unrestricted	(3,376,708)	(4,956,172)	(5,048,192)	334,752	2,143,471	1,555,309
Total governmental activities net assets	\$ 44,915,163	\$ 46,353,110	\$ 49,079,028	\$ 56,857,318	\$ 59,776,700	\$ 62,764,686
Business-type activities						
Invested in capital assets, net of related debt	\$ 50,262,498	\$ 49,960,529	\$ 49,129,986	\$ 49,120,227	\$ 49,735,238	\$ 51,471,577
Restricted	908,920	1,548,748	2,961,035	2,628,641	3,619,664	5,630,120
Unrestricted	3,890,445	3,777,256	3,499,041	3,591,882	1,527,399	(2,037,985)
Total business-type activities net assets	\$ 55,061,863	\$ 55,286,533	\$ 55,590,062	\$ 55,340,750	\$ 54,882,301	\$ 55,063,712
Primary government						
Invested in capital assets, net of related debt	\$ 98,105,052	\$ 100,802,251	\$ 103,122,066	\$ 105,507,274	\$ 107,147,560	\$ 111,974,297
Restricted	1,358,237	2,016,308	3,096,175	2,764,160	3,840,571	6,336,777
Unrestricted	513,737	(1,178,916)	(1,549,151)	3,926,634	3,670,870	(482,676)
Total primary government net assets	\$ 99,977,026	\$ 101,639,643	\$ 104,669,090	\$ 112,198,068	\$ 114,659,001	\$ 117,828,398

Notes:

(1) Net assets invested in capital assets, net of related debt were restated for FY03 and FY04.

(2) The City will continue to annually report information until this schedule includes 10 fiscal years.

City of Dover, New Hampshire

Changes in Net Assets

Last Ten Fiscal Years (1)

(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 7,441,103	\$ 8,449,015	\$ 9,170,676	\$ 9,125,696	\$ 9,584,351	\$ 10,848,311
Public safety	9,713,495	10,657,493	10,284,604	12,865,806	13,974,469	14,090,578
Public works	7,995,930	6,739,392	6,972,709	9,128,400	8,380,719	8,289,627
Culture and recreation	2,985,494	2,911,587	2,349,885	2,882,727	3,655,755	3,468,304
Education	36,502,911	37,408,903	37,715,317	41,198,155	42,505,294	45,032,173
Human services	630,133	1,481,363	1,156,326	1,310,008	1,445,035	1,099,641
Interest	1,492,822	1,646,763	1,815,709	2,108,107	2,813,594	3,098,791
Miscellaneous	318,758	-	-	-	-	-
Total governmental activities expenses	67,080,646	69,294,516	69,465,226	78,618,899	82,359,217	85,927,425
Business-type activities:						
Water services	2,326,346	2,521,875	2,779,842	2,977,351	3,304,778	3,430,042
Sewer services	4,327,567	4,566,230	4,647,438	4,997,619	5,043,665	5,017,000
Arena services	1,151,200	1,262,538	1,314,389	1,418,234	1,481,949	1,427,762
DBIDA services	7,098	7,894	5,879	81,943	144,500	138,441
Total business-type activities expenses	7,812,211	8,358,537	8,747,548	9,475,147	9,974,892	10,013,245
Total primary government expenses	\$ 74,892,857	\$ 77,653,053	\$ 78,212,774	\$ 88,094,046	\$ 92,334,109	\$ 95,940,670
Program Revenues						
Governmental activities:						
Charges for services						
General government	\$ 1,484,034	\$ 871,799	\$ 1,312,097	\$ 1,609,618	\$ 1,310,619	\$ 1,149,111
Public safety	1,235,206	806,821	437,825	603,642	1,275,129	1,336,480
Public works	868,876	1,260,514	2,810,817	1,307,824	1,544,584	2,936,784
Culture and recreation	403,968	718,942	601,361	591,904	659,630	650,656
Education	9,004,003	12,951,805	13,493,145	13,630,851	14,030,649	14,070,236
Human services	6,230	11,749	196,645	136,057	55,192	180,465
Miscellaneous	54,573	-	-	-	-	-
Total charges for services	13,056,890	16,621,630	18,851,890	17,879,896	18,875,803	20,323,732
Operating grants and contributions	9,116,737	6,724,481	6,284,743	6,061,067	7,100,396	6,582,484
Capital grants and contributions	1,691,916	1,768,318	919,502	1,213,101	970,772	1,026,815
Total governmental activities program revenues	23,865,543	25,114,429	26,056,135	25,154,064	26,946,971	27,933,031
Business-type activities:						
Charges for services						
Water services	3,158,780	3,027,514	3,197,227	3,406,598	3,379,209	4,011,562
Sewer services	4,196,982	3,928,891	4,019,804	3,934,859	3,767,878	4,129,003
Arena services	783,190	1,062,556	1,202,974	1,264,746	1,461,474	1,568,828
DBIDA services	-	-	250	44,701	268,973	138,353
Total charges for services	8,138,952	8,018,961	8,420,255	8,650,904	8,877,534	9,847,746
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	512,554	474,062	612,576	538,839	552,375	240,877
Total business-type activities program revenues	8,651,506	8,493,023	9,032,831	9,189,743	9,429,909	10,088,623
Total primary government program revenues	\$ 32,517,049	\$ 33,607,452	\$ 35,088,966	\$ 34,343,807	\$ 36,376,880	\$ 38,021,654
Net (Expenses)Revenue						
Governmental activities	\$ (43,215,103)	\$ (44,180,087)	\$ (43,409,091)	\$ (53,464,835)	\$ (55,412,246)	\$ (57,994,394)
Business-type activities	839,295	134,486	285,283	(285,404)	(544,983)	75,378
Total Primary government net expense	\$ (42,375,808)	\$ (44,045,601)	\$ (43,123,808)	\$ (53,750,239)	\$ (55,957,229)	\$ (57,919,016)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 38,969,984	\$ 41,202,971	\$ 44,469,792	\$ 49,606,220	\$ 52,129,249	\$ 55,835,213
Motor vehicle registration tax	3,719,694	3,844,146	3,923,934	3,968,620	3,927,069	3,803,303
Penalties, interest and other taxes	196,283	218,578	8,419	4,391	16,009	25,037
Unrestricted investment income	244,495	334,854	433,788	1,008,421	1,811,976	1,110,037
Other revenue	223,362	100,160	123,533	232,575	447,325	208,790
Loss on sale of capital assets	-	-	(40,109)	-	-	-
Extraordinary item	-	-	(2,793,947)	6,395,994	-	-
Transfers, net	14,524	(82,675)	9,599	26,904	-	-
Total governmental activities	43,368,342	45,618,034	46,135,009	61,243,125	58,331,628	60,982,380
Business-type activities:						
Investment income	11,042	7,509	27,845	52,496	86,533	106,033
Other Revenue	-	-	-	10,500	-	-
Transfers, net	(14,524)	82,675	(9,599)	(26,904)	-	-
Total business-type activities	(3,482)	90,184	18,246	36,092	86,533	106,033
Total primary government	\$ 43,364,860	\$ 45,708,218	\$ 46,153,255	\$ 61,279,217	\$ 58,418,161	\$ 61,088,413
Change in Net Assets						
Governmental activities	\$ 153,239	\$ 1,437,947	\$ 2,725,918	\$ 7,778,290	\$ 2,919,382	\$ 2,987,986
Business-type activities	835,813	224,670	303,529	(249,312)	(458,450)	181,411
Total primary government	\$ 989,052	\$ 1,662,617	\$ 3,029,447	\$ 7,528,978	\$ 2,460,932	\$ 3,169,397

(1) The City will continue to annually report information until this schedule includes 10 fiscal years.

City of Dover, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved for encumbrances	\$ 363,783	\$ 363,239	\$ 469,814	\$ 703,744	\$ 790,753	\$ 398,376	\$ 563,764	\$ 817,682	\$ 808,589	\$ 643,717
Reserved for advances (1)	399,500	286,000	309,500	944,236	1,381,880	1,674,304	1,897,034	2,153,630	2,287,210	2,733,032
Reserved for capital outlay (2)	291,930	263,680	286,559	259,577	85,693	148,750	127,500	106,250	823,543	507,570
Reserved for debt service	255,000	233,750	212,500	191,250	170,000	110,000	110,000	68,508	106,250	63,750
Reserved for other	-	-	-	-	-	-	-	-	-	-
Total Reserved	1,310,213	1,146,669	1,278,373	2,098,807	2,428,326	2,331,430	2,698,298	3,146,070	4,025,592	3,948,069
Unreserved	2,149,416	3,949,957	4,408,451	3,605,676	3,709,521	3,593,044	3,867,587	4,796,633	5,068,952	5,584,935
Total General Fund	<u>\$ 3,459,629</u>	<u>\$ 5,096,626</u>	<u>\$ 5,686,824</u>	<u>\$ 5,704,483</u>	<u>\$ 6,137,847</u>	<u>\$ 5,924,474</u>	<u>\$ 6,565,885</u>	<u>\$ 7,942,703</u>	<u>\$ 9,094,544</u>	<u>\$ 9,533,004</u>
All Other Governmental funds										
Reserved for encumbrances	\$ -	\$ 3,696,096	\$ 3,495,464	\$ 4,061,377	\$ 2,219,715	\$ 3,138,359	\$ 2,851,074	\$ 7,210,141	\$ 11,007,178	\$ 8,134,795
Reserved for capital outlay	3,208,582	336,496	5,736,649	-	4,081,977	4,465,278	9,880,180	11,125,112	10,272,747	2,070,246
Reserved for other	25,707	27,484	27,682	28,938	23,424	29,963	39,161	39,176	48,336	46,333
Total Reserved	\$ 3,234,289	\$ 4,060,076	\$ 9,259,795	\$ 4,090,315	\$ 6,325,116	\$ 7,633,600	\$ 12,770,415	\$ 18,374,429	\$ 21,328,261	\$ 10,251,374
Unreserved	725,332	924,378	1,056,594	724,855	3,669,786	4,283,723	3,228,880	4,137,741	4,839,885	5,344,127
Total All Other Governmental funds	<u>\$ 3,959,621</u>	<u>\$ 4,984,454</u>	<u>\$ 10,316,389</u>	<u>\$ 4,815,170</u>	<u>\$ 9,994,902</u>	<u>\$ 11,917,323</u>	<u>\$ 15,999,295</u>	<u>\$ 22,512,170</u>	<u>\$ 26,168,146</u>	<u>\$ 15,595,501</u>

Data Source:

Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

Notes:

- (1) This reserve is for the cash advance to the Arena Fund. In Fiscal Year 2008 the reserve includes a cash advance to the McConnell Center Fund.
- (2) Appropriations for capital assets financed through the General Fund have a 3 year life or until the purpose is met.

City of Dover, New Hampshire

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$29,211,331	\$29,376,946	\$32,105,887	\$35,759,199	\$39,127,067	\$41,635,187	\$44,425,858	\$49,273,703	\$51,923,895	\$55,528,287
Licenses and permits	3,005,048	3,344,023	3,686,246	3,944,619	4,096,208	4,254,976	4,379,423	4,746,999	4,704,073	4,458,346
Intergovernmental	4,480,277	4,983,314	5,235,678	5,971,855	7,028,720	8,277,017	6,779,512	6,748,901	7,577,132	6,914,873
Current service charges	2,454,321	2,441,185	2,799,133	2,875,191	3,986,260	3,682,668	6,696,041	5,552,867	5,699,435	7,272,458
Education	4,446,561	8,823,894	9,333,811	11,003,650	11,740,906	11,666,453	11,589,151	11,513,198	11,944,765	11,954,934
Miscellaneous revenue	1,273,730	1,472,918	1,734,335	1,302,185	1,060,772	1,427,204	1,597,921	2,185,844	3,221,740	2,456,173
Total revenues	44,871,268	50,442,280	54,895,090	60,856,699	67,039,934	70,943,506	75,467,906	80,021,512	85,071,040	88,585,071
Expenditures										
General government	\$ 2,220,952	\$ 2,752,678	\$ 2,957,861	\$ 3,049,278	\$ 3,362,579	\$ 3,682,989	\$ 4,510,703	\$ 4,403,947	\$ 3,768,761	\$ 4,667,786
Public safety	7,027,867	7,931,994	8,516,843	9,016,550	9,669,513	10,453,530	11,220,754	12,244,120	12,527,349	12,315,515
Public works	3,674,158	3,685,294	4,264,705	4,158,668	5,278,346	4,774,012	5,488,069	5,396,712	6,620,093	5,396,667
Culture and recreation	1,569,064	1,733,286	1,891,421	1,969,556	2,026,355	2,232,117	2,207,717	2,596,284	3,164,802	2,724,950
Education	22,553,697	24,750,933	27,151,429	31,382,245	34,643,006	36,706,948	37,366,752	39,929,897	40,788,339	42,991,635
Human services	1,050,727	1,109,990	1,617,411	1,141,594	1,181,469	1,475,210	1,171,342	1,271,139	1,422,465	1,067,523
Intergovernmental	2,729,400	2,824,052	2,855,108	3,666,619	3,695,246	4,639,183	4,336,892	5,454,815	5,750,204	5,922,221
Capital outlay (1)	13,522,595	6,450,130	8,894,073	7,596,771	7,471,290	5,393,035	6,952,065	10,748,911	17,072,862	14,066,205
Debt service										
Principal	1,802,942	2,000,038	3,291,991	4,006,958	3,998,487	4,214,821	4,220,335	4,486,607	4,740,087	6,215,838
Interest	1,051,474	1,394,983	1,159,145	1,700,213	1,524,218	1,644,937	1,799,495	2,054,291	2,668,222	3,350,916
Total expenditures	57,202,876	54,633,378	62,599,987	67,688,452	72,850,509	75,216,782	79,274,123	88,586,723	98,523,184	98,719,256
Excess of revenues										
Over(under) expenditures	(12,331,608)	(4,191,098)	(7,704,897)	(6,831,753)	(5,810,575)	(4,273,276)	(3,806,217)	(8,565,211)	(13,452,144)	(10,134,185)
Other Financing Sources (Uses)										
Bond Issuance	\$ 14,720,603	\$ 6,920,928	\$ 13,586,400	\$ 1,229,000	\$ 9,159,000	\$ 6,065,000	\$ 8,520,000	\$ 16,428,000	\$ 18,196,000	-
Bond Premium	-	-	-	-	-	-	-	-	63,961	-
Transfers in	503,071	257,193	577,740	531,781	944,509	1,040,165	1,148,898	1,161,973	1,183,029	1,093,416
Transfers out	(244,571)	(325,193)	(537,110)	(412,588)	(929,985)	(1,122,840)	(1,139,298)	(1,135,069)	(1,183,029)	(1,093,416)
Total governmental activities	14,979,103	6,852,928	13,627,030	1,348,193	9,173,524	5,982,325	8,529,600	16,454,904	18,259,961	-
Net Change in fund balances	\$ 2,647,495	\$ 2,661,830	\$ 5,922,133	\$ (5,483,560)	\$ 3,362,949	\$ 1,709,049	\$ 4,723,383	\$ 7,889,693	\$ 4,807,817	\$ (10,134,185)
Debt Service as a percentage of non-capital outlay expenditures	6.5%	7.0%	8.3%	9.5%	8.4%	8.4%	8.3%	8.4%	9.1%	11.3%

Data Source:
Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

Notes

(1) Capital outlay expenditures are presented within other function categories in the basic financial statements.

City of Dover, New Hampshire

Changes in Fund Balances, General Fund

Last Ten Fiscal Years

(modified accrual basis of accounting)

	1999	2000	2001	2002	Fiscal Year		2003	2004	2005	2006	2007	2008
Revenues												
Taxes	\$ 29,211,331	\$ 29,141,018	\$ 31,853,179	\$ 35,585,882	\$ 38,649,599	\$ 41,525,541	\$ 44,054,361	\$ 48,791,940	\$ 51,416,226	\$ 55,152,120		
Licenses and permits	3,005,048	3,344,023	3,686,246	3,944,619	4,096,208	4,254,976	4,378,403	4,745,864	4,702,403	4,456,916		
Intergovernmental	1,546,811	1,610,534	1,675,881	1,766,065	1,914,757	1,910,836	2,069,959	2,140,515	2,799,049	2,761,290		
Current service charges	1,000,878	954,790	1,054,940	1,030,036	1,124,299	1,119,191	1,586,678	1,486,611	1,293,887	1,220,717		
Education	4,446,561	8,823,894	9,333,811	10,758,527	11,740,906	11,666,453	11,589,151	11,513,198	11,944,765	11,954,934		
Miscellaneous revenue	620,461	963,059	1,093,938	680,805	478,202	485,359	779,348	1,227,807	2,001,869	1,888,508		
Total revenues	39,831,090	44,837,318	48,697,995	53,765,934	58,003,971	60,961,357	64,457,900	69,905,935	74,158,198	77,434,485		
Expenditures by Function												
General government	\$ 2,220,952	\$ 2,752,678	\$ 2,942,239	\$ 3,007,590	\$ 2,946,305	\$ 3,518,072	\$ 3,933,830	\$ 3,710,777	\$ 4,707,754	4,691,917		
Public safety	6,387,607	6,917,061	7,364,837	7,762,936	8,500,956	9,249,045	9,975,122	10,907,760	11,303,843	11,396,359		
Public works	3,156,441	3,169,586	3,572,785	3,538,122	4,451,367	3,931,571	4,594,796	4,316,164	4,626,565	4,665,096		
Culture and recreation	1,498,600	1,682,017	1,863,347	1,926,516	1,973,218	2,087,301	2,123,434	2,202,084	2,284,641	2,301,415		
Education	19,729,818	21,760,597	24,203,905	27,208,695	29,199,879	30,486,749	31,380,847	33,848,664	35,528,132	37,141,062		
Human services	425,516	414,116	446,689	550,038	653,336	730,727	785,254	638,330	604,200	658,979		
Intergovernmental	2,729,400	2,824,052	2,855,108	3,666,619	3,695,246	4,639,183	4,336,892	5,454,815	5,750,204	5,922,221		
Debt service												
Principal	1,802,942	2,000,038	3,291,991	4,006,958	3,998,487	4,214,821	4,220,335	4,486,607	4,700,087	6,010,838		
Interest	1,051,474	1,394,983	1,159,145	1,700,213	1,524,218	1,644,937	1,799,495	2,045,847	2,445,863	3,146,722		
Total expenditures	39,002,750	42,915,128	47,700,046	53,367,687	56,943,012	60,502,406	63,150,004	67,611,048	71,951,289	75,934,609		
Excess of revenues												
Over(under) expenditures	828,340	1,922,190	997,949	398,247	1,060,959	458,951	1,307,896	2,294,887	2,206,909	1,499,876		
Other Financing Sources (Uses)												
Proceeds from borrowing												
Bond Premium	-	-	-	-	-	-	-	-	-	63,961	-	
Transfers in	261,000	36,000	32,000	32,000	49,595	63,828	32,000	32,000	32,000	32,000		
Transfers out	(240,571)	(321,193)	(439,751)	(412,588)	(677,190)	(736,152)	(698,485)	(950,069)	(1,151,029)	(1,093,416)		
Total governmental activities	20,429	(285,193)	(407,751)	(380,588)	(627,595)	(672,324)	(666,485)	(918,069)	(1,055,068)	(1,061,416)		
Net Change in fund balances	\$ 848,769	\$ 1,636,997	\$ 590,198	\$ 17,659	\$ 433,364	\$ (213,373)	\$ 641,411	\$ 1,376,818	\$ 1,151,841	\$ 438,460		

Data Source:

Audited Financial Statements

City of Dover, New Hampshire

Changes in Fund Balances, Special Revenue Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	1999	2000	2001	2002	Fiscal Year		2005	2006	2007	2008
					2003	2004				
Revenues										
Taxes	\$ -	\$ 235,928	\$ 252,708	\$ 173,317	\$ 477,468	\$ 109,646	\$ 371,497	\$ 481,763	\$ 507,669	\$ 376,167
Licenses and permits	-	-	-	-	-	-	1,020	1,135	1,670	1,430
Intergovernmental	2,632,908	3,209,546	3,391,181	4,038,970	4,613,018	5,875,326	4,573,196	4,282,636	4,627,585	4,153,583
Current service charges	1,453,443	1,454,642	1,615,597	1,627,738	2,644,336	2,338,255	3,338,544	4,026,256	4,226,685	4,843,301
Education	-	-	-	245,123	-	-	-	-	-	-
Miscellaneous revenue	561,126	492,409	640,397	621,380	559,833	861,377	548,268	710,930	973,661	327,782
Total revenues	4,647,477	5,392,525	5,899,883	6,706,528	8,294,655	9,184,604	8,832,525	9,502,720	10,337,270	9,702,263
Expenditures										
General government	-	-	15,622	41,688	416,274	164,917	576,873	693,170	1,029,501	609,614
Public safety	640,260	1,014,933	1,152,006	1,253,614	1,168,557	1,204,485	1,245,632	1,336,360	1,411,641	1,403,243
Public works	517,717	515,708	691,920	620,546	826,979	842,441	893,273	1,080,548	1,109,091	1,052,042
Culture and recreation	70,464	51,269	28,074	43,040	53,137	144,816	84,283	394,200	400,112	519,747
Education	2,823,879	2,990,336	2,947,524	4,173,550	5,443,127	6,220,199	5,985,905	6,081,233	5,917,742	5,855,883
Human services	625,211	695,874	1,170,722	591,556	528,133	744,483	386,088	632,809	818,265	408,544
Debt service	-	-	-	-	-	-	-	-	40,000	205,000
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	8,444	206,359	204,194
Total expenditures	4,677,531	5,268,120	6,005,868	6,723,994	8,436,207	9,321,341	9,172,054	10,226,764	10,932,711	10,258,267
Excess of revenues										
Over(under) expenditures	(30,054)	124,405	(105,985)	(17,466)	(141,552)	(136,737)	(339,529)	(724,044)	(595,441)	(556,004)
Other Financing Sources (Uses)										
Transfers in	154,963	221,193	315,751	372,685	671,648	676,337	733,299	943,713	1,207,020	1,061,416
Transfers out	(4,000)	(4,000)	(97,359)	-	(252,795)	(86,688)	(440,813)	(185,000)	(87,991)	-
Total governmental activities	150,963	217,193	218,392	372,685	418,853	589,649	292,486	758,713	1,119,029	1,061,416
Net Change in fund balances	\$ 120,909	\$ 341,598	\$ 112,407	\$ 355,219	\$ 277,301	\$ 452,912	\$ (47,043)	\$ 34,669	\$ 523,588	\$ 505,412

Data Source

Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

Changes in Fund Balances, Capital Project Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	1999	2000	2001	2002	Fiscal Year		2005	2006	2007	2008
					2003	2004				
Revenues										
Intergovernmental	\$ 300,558	\$ 163,234	\$ 168,616	\$ 166,820	\$ 500,945	\$ 490,855	\$ 136,357	\$ 325,750	\$ 150,499	\$ -
Current service charges	-	31,753	128,596	217,417	217,625	226,222	1,770,819	40,000	178,863	1,208,440
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	92,143	17,450	-	-	22,737	80,468	270,305	247,107	246,210	239,883
Total revenues	392,701	212,437	297,212	384,237	741,307	797,545	2,177,481	612,857	575,572	1,448,323
Expenditures										
Capital outlay	13,522,595	6,450,130	8,894,073	7,596,771	7,471,290	5,393,035	6,952,065	10,748,911	15,639,184	12,526,380
Total expenditures	13,522,595	6,450,130	8,894,073	7,596,771	7,471,290	5,393,035	6,952,065	10,748,911	15,639,184	12,526,380
Excess of revenues										
Over(under) expenditures	(13,129,894)	(6,237,693)	(8,596,861)	(7,212,534)	(6,729,983)	(4,595,490)	(4,774,584)	(10,136,054)	(15,063,612)	(11,078,057)
Other Financing Sources (Uses)										
Proceeds from borrowing	14,720,603	6,920,928	13,586,400	1,229,000	9,159,000	6,065,000	8,520,000	16,428,000	18,196,000	-
Transfers in	87,108	-	229,989	127,096	223,266	300,000	383,599	186,260	-	-
Transfers out	-	-	-	-	-	(300,000)	-	-	-	-
Total governmental activities	14,807,711	6,920,928	13,816,389	1,356,096	9,382,266	6,065,000	8,903,599	16,614,260	18,196,000	-
Net Change in fund balances	\$ 1,677,817	\$ 683,235	\$ 5,219,528	\$ (5,856,438)	\$ 2,652,283	\$ 1,469,510	\$ 4,129,015	\$ 6,478,206	\$ 3,132,388	\$ (11,078,057)

Data Source:

Audited Financial Statements

City of Dover, New Hampshire

Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Assets Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Revenue				Expenses					Increase (Decrease)	
		Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total	Total Net Assets	Total Net Assets
2008	\$ -	\$ 7,858,489	\$ 386,606	\$ 240,877	\$ 8,485,972	\$ 4,718,312	\$ 2,637,288	\$ 1,091,442	\$ -	\$ 8,447,042	\$ 38,930	\$ 55,011,636
2007	552,375	6,863,012	369,070	-	7,784,457	4,685,872	2,512,605	1,149,966	-	8,348,443	(563,986)	54,972,706
2006	519,346	7,065,852	327,782	-	7,912,980	4,558,650	2,422,858	993,462	26,904	8,001,874	(88,894)	55,536,691
2005	612,576	6,880,875	363,769	-	7,857,220	4,407,360	2,302,636	717,284	9,599	7,436,879	420,341	55,625,585
2004	474,062	6,383,456	580,370	82,675	7,520,563	3,952,020	2,139,939	996,146	-	7,088,105	432,458	55,205,244 (1)
2003	512,554	6,957,737	409,068	-	7,879,359	3,560,102	2,087,337	1,006,474	14,524	6,668,438	1,210,921	54,772,785 (2)
2002	565,334	5,130,038	136,903	735,000	6,567,275	3,285,298	2,264,227	1,136,101	592,245	7,277,871	(710,596)	53,561,864
2001	679,857	5,498,937	217,157	867,000	7,262,951	3,294,038	2,214,503	908,358	340,000	6,756,899	506,052	44,826,544
2000	638,392	4,999,583	179,590	-	5,817,565	2,877,432	2,225,281	1,018,410	315,000	6,436,123	(618,558)	44,210,697
1999	759,847	4,888,517	102,005	-	5,750,369	2,859,706	2,237,918	1,125,162	290,000	6,512,786	(762,417)	44,721,602

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Assets Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Revenue				Expenses					Increase (Decrease)	
		Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total	Total Net Assets	Total Net Assets
2008	\$ -	\$ 3,864,482	\$ 199,090	\$ -	\$ 4,063,572	\$ 2,263,253	\$ 644,602	\$ 522,187	\$ -	\$ 3,430,042	\$ 633,530	\$ 16,743,732
2007	-	3,241,820	182,180	-	3,424,000	2,219,625	637,400	447,753	-	3,304,778	119,222	16,110,202
2006	-	3,296,940	133,405	-	3,429,985	2,032,099	646,178	299,074	500	2,977,851	452,134	15,990,979
2005	15,000	3,056,682	150,305	-	3,221,987	1,990,737	602,372	186,733	6,500	2,786,342	435,645	15,538,845
2004	-	2,789,034	240,517	82,675	3,112,226	1,762,176	526,183	233,516	-	2,521,875	590,351	15,103,200
2003	-	3,040,583	121,338	-	3,161,921	1,611,453	501,377	213,516	-	2,326,346	835,575	14,512,849 (1)
2002	-	2,217,796	47,485	400,000	2,665,281	1,513,683	465,709	259,524	292,245	2,531,161	134,120	13,677,274 (2)
2001	-	2,287,727	19,100	142,000	2,448,827	1,377,318	438,642	118,840	40,000	1,974,800	474,027	8,375,032
2000	-	2,169,065	12,030	-	2,181,095	1,227,278	430,875	147,350	40,000	1,845,503	335,592	7,791,977
1999	-	2,052,582	16,239	-	2,068,821	1,125,482	406,385	162,953	40,000	1,734,820	334,001	7,348,732

Sewer Fund Revenue, Expenses, and Changes in Fund Net Assets Last Ten Fiscal Years

Fiscal Year	Intergovernmental	Revenue				Expenses					Increase (Decrease)	
		Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total	Total Net Assets	Total Net Assets
2008	\$ -	\$ 3,994,007	\$ 187,516	\$ 240,877	\$ 4,422,400	\$ 2,455,059	\$ 1,992,686	\$ 569,255	\$ -	\$ 5,017,000	\$ (594,600)	\$ 38,267,904
2007	552,375	3,621,192	186,890	-	4,360,457	2,486,247	1,875,205	702,213	-	5,043,665	(683,208)	38,862,504
2006	519,346	3,768,912	194,737	-	4,482,995	2,526,551	1,776,680	694,388	26,404	5,024,023	(541,028)	39,545,712
2005	597,576	3,824,193	213,464	-	4,635,233	2,416,623	1,700,264	530,551	3,099	4,650,537	(15,304)	40,086,740
2004	474,062	3,594,422	339,853	-	4,408,337	2,189,844	1,613,756	762,630	-	4,566,230	(157,893)	40,102,044
2003	512,554	3,917,154	287,730	-	4,717,438	1,948,649	1,585,960	792,958	14,524	4,342,091	375,347	40,259,937 (1)
2002	565,334	2,912,242	89,418	335,000	3,901,994	1,771,615	1,798,518	876,577	300,000	4,746,710	(844,716)	39,884,590 (2)
2001	679,857	3,211,210	198,057	725,000	4,814,124	1,916,720	1,775,861	789,518	300,000	4,782,099	32,025	36,451,512
2000	638,392	2,830,518	167,560	-	3,636,470	1,650,154	1,794,406	871,060	275,000	4,590,620	(954,150)	36,418,720
1999	759,847	2,835,935	85,766	-	3,681,548	1,734,224	1,831,533	962,209	250,000	4,777,966	(1,096,418)	37,372,870

Data Source:

Audited Financial Reports

Notes:

(1) Beginning in Fiscal Year 2003 includes Capital Reserve Funds which were previously considered Trust Funds.

(2) Total Net Assets as restated for Fiscal Year ending June 30, 2002. Restatement resulting from adjustment of capital asset values and accumulated depreciation.

City of Dover, New Hampshire

Arena Fund Revenue, Expenses, and Changes in Fund Net Assets

Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease) Total Net Assets	Total Net Assets
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total		
2008	\$ -	\$ 1,480,636	\$ 89,667	\$ -	\$ 1,570,303	\$ 1,150,492	\$ 140,282	\$ 136,988	\$ -	\$ 1,427,762	\$ 142,541	\$ (1,109,347)
2007	-	1,340,485	122,468	-	1,462,953	1,186,164	146,214	149,571	-	1,481,949	(18,996)	(1,251,888)
2006	-	1,210,812	73,703	-	1,284,515	1,116,996	142,535	158,703	-	1,418,234	(133,719)	(1,232,892)
2005	-	1,153,168	50,038	-	1,203,206	1,013,035	142,364	158,990	-	1,314,389	(111,183)	(1,099,173)
2004	-	996,402	66,242	-	1,062,644	944,294	142,364	175,880	-	1,262,538	(199,894)	(987,990)
2003	-	744,278	38,912	-	783,190	813,758	144,174	193,268	-	1,151,200	(368,010)	(788,096) (1)
2002	-	703,767	26,734	-	730,501	905,837	124,252	229,307	-	1,259,396	(528,895)	(420,086) (2&3)
2001	-	503,124	-	100,000	603,124	653,641	68,291	19,014	-	740,946	(137,822)	(244,184)
2000	-	498,644	-	-	498,644	479,116	72,650	21,220	-	572,986	(74,342)	(106,362)
1999	-	496,101	-	-	496,101	470,494	75,876	23,470	-	569,840	(73,739)	(32,020)

Data Source:

Audited Financial Reports

Notes:

- (1) Beginning in Fiscal Year 2003 includes Capital Reserve Funds which were previously considered Trust Funds.
- (2) Total Net Assets as restated for Fiscal Year ending June 30, 2002. Restatement resulting from adjustment of capital asset values and accumulated depreciation.
- (3) The Arena facility was expanded adding a second enclosed ice sheet that came on-line during fiscal year 2002.

City of Dover, New Hampshire

General Government Tax Revenues by Source

Last Ten Fiscal Years

Fiscal Year	Property Taxes	Current Use Penalties	Boat Tax	Yield Tax	Payment in Lieu of Tax	Excavation Tax	Activity Tax (1)	Tax Interest & Penalties	Total
2008	\$ 54,815,889	\$ 376,170	\$ 17,595	\$ 15,319	\$ 33,579	\$ 3,581	\$ -	\$ 266,157	\$ 55,528,290
2007	51,082,581	507,669	19,957	14,130	62,765	6,513	-	230,280	51,923,895
2006	48,502,622	481,763	22,389	628	63,553	7,112	-	195,636	49,273,703
2005	43,776,292	363,102	24,174	1,456	57,145	9,863	-	193,827	44,425,858
2004	41,200,107	108,017	26,275	4,651	68,874	8,700	-	218,562	41,635,187
2003	38,345,800	475,838	22,759	4,945	71,298	10,143	-	196,283	39,127,067
2002	35,273,175	162,276	23,328	3,279	99,639	13,953	-	183,548	35,759,198
2001	31,494,896	250,246	20,745	765	90,005	10,459	35,085	203,687	32,105,886
2000	28,596,237	341,124	21,473	19,047	93,506	10,743	39,410	255,406	29,376,946
1999	28,702,711	119,434	21,209	9,341	86,259	6,371	35,464	230,542	29,211,331

Data Source:

Audited Internal Financial Statements

Notes:

(1) Activity tax was ruled unconstitutional by N.H. Supreme Court.

City of Dover, New Hampshire

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Balance at Fiscal Year End of Levy Year	Subsequent Tax Collections	Balance at end of Current Fiscal year	Total Collections to Date		Number of Parcels		
		Amount	% of Levy				Amount	% of Levy	in Levy	Liened	% Liened
2008	\$ 55,140,420	\$ 52,827,214	95.8%	\$ 2,313,206	\$ -	\$ 2,313,206	\$ 52,827,214	95.8%	9,685	295	3.0%
2007	51,305,180	49,264,164	96.0%	2,041,016	1,586,991	454,025	50,851,155	99.1%	9,552	353	3.7%
2006	48,838,109	46,864,721	96.0%	1,973,388	1,811,028	162,360	48,675,749	99.7%	9,187	278	3.0%
2005	43,833,406	42,209,865	96.3%	1,623,541	1,622,122	1,419	43,831,987	100.0%	9,103	249	2.7%
2004	41,081,332	39,523,636	96.2%	1,557,696	1,557,696	-	41,081,332	100.0%	9,009	262	2.9%
2003	38,378,893	36,736,461	95.7%	1,642,433	1,642,433	-	38,378,893	100.0%	8,888	310	3.5%
2002	35,301,454	33,862,981	95.9%	1,438,473	1,438,473	-	35,301,454	100.0%	8,735	301	3.4%
2001	31,525,308	30,190,566	95.8%	1,334,742	1,334,742	-	31,525,308	100.0%	8,673	318	3.7%
2000	28,514,086	27,305,905	95.8%	1,208,181	1,208,181	-	28,514,086	100.0%	8,498	397	4.7%
1999	28,513,295	27,184,820	95.3%	1,328,475	1,328,475	-	28,513,295	100.0%	8,502	405	4.8%

Data Source:

Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Tax liens are placed within 60 days after the end of the fiscal year. Taxpayers have two years to redeem liens prior to property being tax deeded.

City of Dover, New Hampshire

Assessed and Estimated Full Value of Real Property

Last Ten Fiscal Years

Fiscal Year	Local Assessed Value (1)			Total Assessed Value	Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/Industrial	Utilities						
2008	\$ 2,195,273,500	\$ 655,131,100	\$ 35,579,100	\$ 2,885,983,700	\$ 50,914,700	\$ 2,835,069,000	\$ 19.63	\$ 3,028,004,490	95.3%
2007	2,178,722,000	597,125,300	34,773,700	2,810,621,000	45,808,500	2,764,812,500	18.72	2,954,382,748	95.1%
2006	1,992,919,500	546,120,670	33,169,300	2,572,209,470	36,144,400	2,536,065,070	17.29	2,909,166,586	88.4%
2005	1,881,960,500	545,071,520	33,003,800	2,460,035,820	30,528,200	2,429,507,620	16.42	2,599,843,962	94.6%
2004	1,580,353,000	485,398,492	31,250,100	2,097,001,592	19,013,400	2,077,988,192	17.67	2,303,407,162	91.0%
2003	1,359,533,470	471,810,672	31,250,100	1,862,594,242	10,271,000	1,852,323,242	18.89	2,033,558,594	91.6%
2002	1,157,386,700	414,001,060	31,250,100	1,602,637,860	9,969,500	1,592,668,360	20.09	1,789,901,391	89.5%
2001	780,489,650	319,310,200	26,188,800	1,125,988,650	7,145,000	1,118,843,650	25.97	1,529,921,457	73.6%
2000	725,066,300	265,815,100	25,502,700	1,016,384,100	9,362,000	1,007,022,100	25.81	1,324,236,772	76.8%
1999	702,697,000	259,212,300	25,466,800	987,376,100	5,833,300	981,542,800	26.49	1,161,777,709	85.0%

Data Sources:

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Principal Taxpayers Current Year and Nine Years Ago

Taxpayer	Type of Business	2008 Assessed Value	Rank	Percentage of Total Assessed Value	1999 Assessed Value	Rank	Percentage of Total Assessed Value
Liberty Mutual Insurance Co	Insurance	\$ 26,622,700	1	0.94 %	\$ 18,334,100	1	1.87 %
Public Service Co of NH	Utility	22,955,700	2	0.81	16,759,000	2	1.71
The New Meadows Inc	Apartments	16,390,200	3	0.58	5,172,300	8	0.53
Holgate Limited Partnership	Comm/Res Rentals	16,042,600	4	0.57	-	-	-
171 Watson Rd of Dover Holding Corp.	Scholastic Testing	13,996,500	5	0.49	-	-	-
Dover Mills Partnership	Developer	11,695,700	6	0.41	7,532,100	5	0.77
NP Dover LLC (Current) Shaw's(Previously)	Supermarket	11,171,400	7	0.39	7,141,800	6	0.73
Northern Utilities Inc	Gas Utility	10,751,300	8	0.38	8,381,800	4	0.85
MSM Brothers, Inc.	Apartments	9,894,700	9	0.35	-	-	-
Sawyers Mills Assoc Inc	Apartments	9,688,600	10	0.34	-	-	-
Goss (Current) Heidelberg (Previously)	Manufacturer	-	-	-	8,552,200	3	0.87
Davidson Rubber	Urethane Products	-	-	-	5,163,100	9	0.53
Hannaford Brothers	Supermarket	-	-	-	4,354,400	10	0.44
Langdon Place of Dover	Retirement Community	-	-	-	6,458,600	7	0.66
Total Principal Taxpayers		\$ 149,209,400		5.26 %	\$ 87,849,400		8.95 %
Total Net Assessed Taxable Value		<u>\$ 2,835,069,000</u>			<u>\$ 981,542,800</u>		

Data Source:
City of Dover Tax Warrant

City of Dover, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

City Direct Rates								Overlapping Rate		Estimated Full Value Rate
Fiscal Year	Budgetary Use of Fund			Local School (2)	State School (3)	Total School	Total Direct	County	Total	
	City	Balance (1)	Total City (2)							
2008	\$ 7.23	-	\$ 7.23	\$ 8.02	\$ 2.31	\$ 10.33	\$ 17.56	\$ 2.07	\$ 19.63	\$ 18.33
2007	6.87	(0.15)	6.72	7.56	2.38	9.94	16.66	2.06	18.72	17.47
2006	7.04	-	7.04	7.66	2.59	10.25	17.29	2.13	19.42	16.88
2005	6.91	-	6.91	6.71	2.80	9.51	16.42	1.76	18.18	16.93
2004	7.48	(0.05)	7.43	5.87	4.37	10.24	17.67	2.21	19.88	17.85
2003	8.03	(0.13)	7.90	6.08	4.91	10.99	18.89	1.97	20.86	18.90
2002	8.80	(0.67)	8.13	6.31	5.65	11.96	20.09	2.27	22.36	19.75
2001	11.28	(0.94)	10.34	8.41	7.22	15.63	25.97	2.51	28.48	20.25
2000	11.70	(0.25)	11.45	6.32	8.04	14.36	25.81	2.75	28.56	21.04
1999	10.54	(0.34)	10.20	16.29	-	16.29	26.49	2.73	29.22	23.65

Data Source:
NH State Department of Revenue Administration

Notes:

- (1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
- (2) Debt service is included in the City and Local School rates.
- (3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. Although warranted by the state, the taxes are collected by the City and spent for local school purposes. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Dover, New Hampshire

Utility Fund Net Budget, Billable Volumes and Rates

Last Ten Fiscal Years

Fiscal Year	Amount to be Raised by Rates (1)		Billable Volume Used for Setting Rates (2)		Rates per HCF (4)		
	Water	Sewer	Water	Sewer (3)	Water	Sewer	Combined
2008	\$ 3,597,404	\$ 4,069,946	1,019,000	927,000	\$ 3.53	\$ 4.39	7.92
2007	3,179,280	4,023,180	1,019,000	927,000	3.12	4.34	7.46
2006	3,016,240	3,828,510	1,019,000	927,000	2.96	4.13	7.09
2005	2,730,920	3,717,270	1,019,000	927,000	2.68	4.01	6.69
2004	2,422,840	3,605,880	1,018,000	906,000	2.38	3.98	6.36
2003	2,202,550	3,357,000	1,015,000	900,000	2.17	3.73	5.90
2002	2,286,900	3,162,790	990,000	881,000	2.31	3.59	5.90
2001	1,958,400	2,972,160	960,000	864,000	2.04	3.44	5.48
2000	1,940,850	2,704,000	935,000	845,000	2.08	3.20	5.28
1999	1,739,100	2,720,000	930,000	850,000	1.87	3.20	5.07

Data Source:

City of Dover Budget and Budget Resolutions

Notes:

- (1) Amount to be raised by rate equals the net budget, i.e., appropriations less other revenue sources.
- (2) Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).
- (3) Sewer charges are based on the amount of water consumed.
- (4) One hundred cubic feet (HCF) equals 748 gallons.

City of Dover, New Hampshire

Dover's Share of the Strafford County Tax Apportionment

Last Ten Fiscal Years

(based on percentage of equalized value)

Total Equalized Values			
Tax Year	Dover	Strafford County	Dover's %
2006	\$ 2,957,658,251	\$ 11,428,976,216	25.8785931%
2005	2,912,670,592	10,943,501,422	26.6155271%
2004	2,603,256,233	9,798,715,231	26.5673221%
2003	2,307,394,165	8,651,293,933	26.6710874%
2002	2,036,499,998	7,464,648,336	27.2819282%
2001	1,794,028,135	6,480,835,631	27.6820496%
2000	1,564,564,557	5,607,449,033	27.9015386%
1999	1,357,414,368	4,861,486,637	27.9217957%
1998	1,212,846,560	4,392,004,563	27.6148748%
1997	1,076,042,753	4,035,213,913	26.6663125%

Apportionment of County Tax Levy				
Fiscal Year	County Tax Levy	Dover's Share	Dover's Share \$ Change	Dover's Share % Change
2008	\$ 22,884,637	\$ 5,922,221	\$ 172,016	3.0%
2007	21,604,701	5,750,205	295,390	5.4%
2006	20,532,046	5,454,815	1,117,923	25.8%
2005	16,260,649	4,336,892	(302,291)	-6.5%
2004	17,004,598	4,639,183	943,938	25.5%
2003	13,348,887	3,695,245	28,626	0.8%
2002	13,141,275	3,666,619	811,511	28.4%
2001	10,225,372	2,855,108	31,056	1.1%
2000	10,226,562	2,824,052	94,652	3.5%
1999	10,235,383	2,729,400	(12,440)	-0.5%

Data Sources:

NH Department of Revenue Administration Equalization Surveys

County Tax Warrants

Adopted Strafford County Budgets

City of Dover, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits Last Ten Fiscal Years

	1999	2000	2001	2002	Fiscal Year		2003	2004	2005	2006	2007	2008
Debt at June 30												
City Depts.	\$ 14,820,966	\$ 13,916,837	\$ 23,673,243	\$ 22,628,086	\$ 25,708,328	\$ 27,332,571	\$ 30,982,814	\$ 39,661,057	\$ 45,784,300	\$ 41,974,543		
Hospital												
School Dept.	2,357,273	19,182,291	19,720,294	17,987,493	20,067,764	20,293,700	20,943,122	24,206,272	31,538,942	29,132,861		
Total Governmental Activities	17,178,239	33,099,128	43,393,537	40,615,579	45,776,092	47,626,271	51,925,938	63,867,329	77,323,242	71,107,404		
Water Fund	2,894,382	2,337,196	4,858,947	4,307,298	5,985,849	7,865,000	7,788,000	11,103,000	12,578,000	11,573,000		
Sewer Fund	14,285,691	13,004,800	14,650,000	13,640,000	15,056,000	14,829,000	14,701,000	14,553,000	13,210,000	11,538,000		
Arena Fund	403,915	366,880	3,930,390	4,278,500	4,034,410	3,785,920	3,542,430	3,298,940	3,055,450	2,813,960		
DBIDA Fund	944,491	923,842	901,144	-	-	-	-	2,383,554	2,256,453	2,121,775		
Total Debt at June 30	\$ 35,716,718	\$ 49,731,846	\$ 67,734,018	\$ 62,842,377	\$ 70,852,151	\$ 73,906,191	\$ 77,957,366	\$ 95,205,823	\$ 108,423,145	\$ 99,154,139		
Base Value for Debt Limits (1)	\$ 1,208,262,266	\$ 1,351,690,603	\$ 1,558,792,619	\$ 1,820,063,750	\$ 2,065,144,579	\$ 2,336,696,368	\$ 2,634,930,749	\$ 2,944,329,836	\$ 2,988,313,185	\$ 3,060,293,656		
Legal Debt Limits (% of Base Value)												
City - 1.75% thru 1968, 3% 1969 on (2)	\$ 36,247,868	\$ 40,556,718	\$ 46,763,779	\$ 54,601,913	\$ 61,954,337	\$ 70,100,891	\$ 79,047,922	\$ 88,329,895	\$ 89,649,396	\$ 91,808,810		
School - 7% (2)	84,578,359	94,832,342	109,115,483	127,404,463	144,580,121	163,568,746	184,445,152	206,103,089	209,181,923	214,220,556		
Water - 10% (2)	120,826,227	135,189,060	155,978,262	182,006,375	206,514,458	233,669,637	263,493,075	294,432,984	298,831,319	306,029,366		
DBIDA - Industrial Parks (3)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000		
DBIDA - Industrial Buildings (4)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000		
DBIDA - Industrial Project (5)	NA	NA	NA	NA	NA	NA	NA	NA	205,776,758	224,849,680	230,847,080	
Debt Against Legal Debt Limits												
City Depts. (Includes Arena)	11,808,525	11,127,117	24,706,790	24,265,500	25,855,410	27,052,920	30,306,430	37,712,940	42,989,450	39,454,960		
School Dept.	2,357,273	19,182,291	19,720,294	17,987,493	20,067,764	20,293,700	20,943,122	24,206,272	31,538,942	29,132,861		
Water Fund	2,894,382	2,337,196	4,858,947	4,307,298	5,985,849	7,865,000	7,788,000	11,103,000	12,578,000	11,573,000		
DBIDA - Industrial Parks	2,145,000	1,970,000	1,785,000	1,625,000	1,455,000	1,285,000	1,115,000	945,000	1,065,000	848,000		
DBIDA - Industrial Buildings	944,491	923,842	901,144	-	-	-	-	-	-	-		
DBIDA - Industrial Project	-	-	-	-	-	-	-	2,383,554	1,936,453	1,881,775		
Exempt from Legal Debt Limits (6)	15,567,047	14,191,400	15,751,843	14,657,086	17,488,328	17,809,571	17,804,814	18,855,057	18,285,300	16,266,543		
Total Debt at June 30	\$ 35,716,718	\$ 49,731,846	\$ 67,734,018	\$ 62,842,377	\$ 70,852,151	\$ 73,906,191	\$ 77,957,366	\$ 95,205,823	\$ 108,423,145	\$ 99,154,139		
Unused Capacity of Legal Debt Limits												
City Depts.	\$ 24,439,343	\$ 29,429,601	\$ 22,056,989	\$ 30,336,413	\$ 36,098,927	\$ 43,047,971	\$ 48,741,492	\$ 50,616,955	\$ 46,650,946	\$ 52,353,850		
School Dept.	82,221,086	75,450,051	89,395,189	109,416,969	124,492,357	143,275,046	163,502,030	181,896,817	177,642,981	185,087,695		
Water Fund	117,931,845	132,851,864	151,020,315	177,699,077	200,528,809	226,004,637	255,705,075	283,329,984	286,253,319	294,456,366		
DBIDA - Industrial Parks	1,855,000	2,030,000	2,205,000	2,375,000	2,545,000	2,715,000	2,885,000	3,055,000	2,905,000	3,155,000		
DBIDA - Industrial Buildings	55,509	76,158	98,856	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-		
DBIDA - Industrial Project	NA	NA	NA	NA	NA	NA	NA	203,393,203	222,913,227	228,965,305		
% of Legal Debt Limits Used												
City Depts.	32.6%	27.4%	52.8%	44.4%	41.7%	38.6%	38.3%	42.7%	48.0%	43.0%		
School Dept.	2.8%	20.3%	18.1%	14.1%	13.9%	12.4%	11.4%	11.7%	15.1%	13.6%		
Water Fund	2.4%	1.7%	3.1%	2.4%	2.9%	3.3%	3.0%	3.8%	4.2%	3.8%		
DBIDA - Industrial Parks	53.6%	40.3%	44.9%	40.8%	36.4%	32.1%	27.9%	23.6%	27.4%	21.1%		
DBIDA - Industrial Buildings	94.4%	92.4%	90.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
DBIDA - Industrial Project	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.9%	0.8%		

Data Source:
Audited Financial Statements

Notes

- (1) Base Value for Debt Limits computed by the NH Department of Revenue Administration
- (2) Legal debt limit percentage rates set by NH State statute
- (3) Dover Business & Industrial Development Authority - Industrial Parks. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (4) Dover Business & Industrial Development Authority - Industrial Park Buildings. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (5) Dover Business & Industrial Development Authority - Bond Limit of general obligation of 8% of local assessed value.
- (6) Debt exempt from Debt limits consists of Hospital and Sewer debt and debt for hazardous waste remediation included in City Depts.

City of Dover, New Hampshire

Ratios of Outstanding Debt by Debt Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities - General Obligation Debt					% of Net Debt		Tax Supported Debt per capita	
	City Depts.	Hospital	School Dept.	Total	Less Hospital Reimbursement	Less State School Aid	to Assessed Value		
2008	\$ 41,974,543	\$ -	\$ 29,132,861	\$ 71,107,404	\$ -	\$ 8,679,349	\$ 62,428,055	2.2%	\$ 2,114
2007	45,784,300	-	31,538,942	77,323,242	-	8,883,991	68,439,251	2.5%	2,347
2006	39,661,057	-	24,206,272	63,867,329	-	5,421,046	58,446,283	2.3%	2,009
2005	30,982,814	-	20,943,122	51,925,936	-	4,240,639	47,685,297	2.0%	1,660
2004	27,332,571	-	20,293,700	47,626,271	-	4,682,229	42,944,042	2.1%	1,497
2003	25,708,328	-	20,067,764	45,776,092	-	5,120,525	40,655,567	2.2%	1,435
2002	22,628,086	-	17,987,493	40,615,579	-	4,027,482	36,588,097	2.3%	1,312
2001	23,673,243	-	19,720,294	43,393,537	-	4,401,080	38,992,457	3.5%	1,421
2000	13,916,837	-	19,182,291	33,099,128	-	4,793,257	28,305,871	2.8%	1,053
1999	14,820,966	-	2,357,273	17,178,239	-	83,408	17,094,831	1.7%	640

Fiscal Year	Business-Type Activities - General Obligation Debt					Less State Sewer Aid	Net Debt	Net debt per capita (1)	% of Personal Income (2)
	Water Fund	Sewer Fund	Arena Fund	DBIDA Fund	Total				
2008	\$ 11,573,000	\$ 11,538,000	\$ 2,813,960	\$ 2,121,775	\$ 28,046,735	\$ 3,804,551	\$ 24,242,184	\$ 821	2.7%
2007	12,578,000	13,210,000	3,055,450	2,256,453	31,099,903	4,141,071	26,958,832	924	3.2%
2006	11,103,000	14,553,000	3,298,940	2,383,554	31,338,494	4,970,673	26,367,821	906	3.2%
2005	7,788,000	14,701,000	3,542,430	-	26,031,430	5,800,276	20,231,154	704	2.6%
2004	7,665,000	14,829,000	3,785,920	-	26,279,920	6,629,874	19,650,046	685	2.6%
2003	5,985,649	15,056,000	4,034,410	-	25,076,059	7,459,482	17,616,577	681	2.6%
2002	4,307,298	13,640,000	4,279,500	-	22,226,798	8,289,085	13,937,713	556	2.2%
2001	4,858,947	14,650,000	3,930,390	901,144	24,340,481	9,118,688	15,221,793	627	2.6%
2000	2,337,196	13,004,800	366,880	923,842	16,632,718	9,948,296	6,684,422	285	1.2%
1999	2,894,382	14,295,691	403,915	944,491	18,538,479	10,777,894	7,760,585	343	1.5%

Fiscal Year	Total Primary Government	Less State and Hospital	% of Net Debt to Assessed Value		Net Debt per capita (1)	% of Personal Income (2)
			Net Debt			
2008	\$ 99,154,139	\$ 12,483,900	\$ 86,670,239	3.1%	\$ 2,935	9.8%
2007	108,423,145	13,025,062	95,398,083	3.5%	3,271	11.2%
2006	95,205,823	10,391,719	84,814,105	3.3%	2,915	10.3%
2005	77,957,366	10,040,915	67,916,451	2.8%	2,364	8.6%
2004	73,906,191	11,312,103	62,594,088	3.0%	2,182	8.2%
2003	70,852,151	12,580,007	58,272,144	3.1%	2,057	7.9%
2002	62,842,377	12,316,567	50,525,810	3.2%	1,812	7.2%
2001	67,734,018	13,519,768	54,214,251	4.8%	1,976	8.1%
2000	49,731,846	14,741,553	34,990,293	3.5%	1,302	5.5%
1999	35,716,718	10,861,302	24,855,416	2.5%	931	4.1%

Data Source:

Audited Financial Statements

Notes:

- (1) Per capita ratios based on trended 2005 NH Office of State Planning population estimates
- (2) Personal Income ratios based on trended 2000 US Census amounts.

City of Dover, New Hampshire

Computation of Overlapping Debt Strafford County Long Term Debt Last Ten Calendar Years

End of Calendar Year	Net General Obligation Debt Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government
2007	\$ 22,762,838	26.6670679%	\$ 6,070,181
2006	24,495,948	25.8785931%	6,339,207
2005	24,960,356	26.6155271%	6,643,330
2004	26,361,597	26.5673221%	7,003,570
2003	23,565,225	26.6710874%	6,285,102
2002	21,834,311	27.2819282%	5,956,821
2001	1,882,838	27.6820496%	521,208
2000	2,082,838	27.9015386%	581,144
1999	815,000	27.9217957%	227,563
1998	960,000	27.6148748%	265,103

Data Sources:

- (1) Strafford County Audited Financial Statements at calendar year end
- (2) NH Department of Revenue Administration

City of Dover, New Hampshire

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Family Income (2)	Estimated Total Personal Income (3)	Per Capita Personal Income (2)	City (4)		Unemployment Rates (4)		
					Unemployed	Labor Force	City	State of NH	US
2008	29,530	\$ 72,066	\$ 882,917,470	\$ 29,899	638	18,240	3.5%	4.0%	5.7%
2007	29,161	70,189	848,410,134	29,094	579	17,550	3.3%	4.0%	5.0%
2006	29,097	68,312	823,125,033	28,289	539	17,400	3.1%	3.6%	5.1%
2005	28,728	66,435	789,560,352	27,484	504	16,442	3.1%	3.8%	5.5%
2004	28,688	64,558	765,367,152	26,679	564	16,310	3.5%	4.3%	6.0%
2003	28,329	62,681	732,984,546	25,874	564	15,987	3.5%	4.7%	5.8%
2002	27,878	60,804	698,873,582	25,069	370	15,727	2.4%	3.5%	4.7%
2001	27,437	58,927	665,731,368	24,264	320	15,557	2.1%	2.8%	4.0%
2000	26,884	57,050	630,671,756	23,459	310	14,665	2.1%	2.7%	4.2%
1999	26,698	55,174	604,923,284	22,658	337	14,540	2.3%	2.9%	4.5%

Data Sources:

- (1) Trended 2005 NH Office of State Planning population estimates, 2000 and 1990 US Census.
- (2) Trended amounts based on 2000 and 1990 US Census information.
- (3) Estimated based on trended population and per capita personal income.
- (4) US Bureau of Labor Statistic - calendar year annual averages not seasonally adjusted.
Reflects calendar year ending during fiscal year (mid-fiscal year).

City of Dover, New Hampshire

Principal Employers Current Year and Nine Years Ago

Employer	Type of Business	2008			1999 (2)		
		Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Liberty Mutual Insurance Co	Insurance	2,722	1	15.51 %	1,100	1	7.49 %
Wenworth Douglas Hospital	Hospital	1,150	2	6.55	950	2	6.47
City of Dover (FTEs)	Municipality	858	3	4.89	760	3	5.18
Measured Progress	Scholastic testing	420	4	2.39	New since 1999		-
Churchill Medical Systems	Manufacturer - medical kits	230	5	1.31	Unknown		-
Fosters Daily Democrat	Newspaper	159	6	0.91	Unknown		-
Tissue Link Medical	Medical Supplies	155	7	0.88	New since 1999		-
AT&T	National Passport center	150	8	0.85	New since 1999		-
Park Nameplate	Nameplates for auto/cosmetics	142	9	0.81	New since 1999		-
Electrocraft (EAD Motors)	Electric motors & fans	101	10	0.58	150	6	1.02
Goss (previously Heidelberg Harris)	Manufacturer - Presses	Closed 2007			600	4	4.09
Moore Business Forms	Form handling equipment	Closed 2003			300	5	2.04
Total Principal Employers		6,087		34.68 %	3,860		26.29 %
Total City Employment (1)		17,550			14,683		

Data Source:

Final Official Statements for City of Dover bond issues and information provided by City's Business Assistance Office.

Notes

(1) US Bureau of Labor Statistics calendar year annual average ending during fiscal year.

(2) Numbers 7,8,9 and 10 unavailable at this time

City of Dover, New Hampshire

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Finance										
Taxable property parcels assessed	8,502	8,498	8,673	8,735	8,888	9,009	9,103	9,187	9,552	9,685
Property transfers processed	1,116	1,003	1,012	1,038	1,146	1,194	1,170	1,198	977	781
Motor vehicles registered	26,892	27,827	28,536	29,190	29,990	30,622	30,775	30,210	30,247	29,840
Planning - Inspection Division										
Building Permits Issued	556	625	626	646	629	654	572	531	522	398
Estimated construction value in millions	\$ 40.88	\$ 35.80	\$ 49.28	\$ 51.25	\$ 42.87	\$ 55.95	\$ 45.88	\$ 53.58	\$ 74.20	\$ 53.51
Police (1)										
Physical arrests	1,048	1,189	1,263	1,559	1,585	1,252	1,245	1,349	1,469	1,213
Traffic violations	1,688	1,734	1,855	2,210	1,603	1,466	1,313	1,400	1,319	1,686
Parking violations	13,483	12,213	10,761	10,063	7,983	8,472	8,374	8,499	10,507	8,522
Fire and Rescue										
Calls answered	4,573	4,929	4,881	5,078	5,077	4,794	5,147	5,021	5,085	5,146
Emergency Responses	2,651	2,455	2,702	2,728	2,797	3,038	3,197	3,200	3,712	3,923
Fires extinguished	120	125	120	135	135	104	72	101	101	152
Number of inspections conducted	590	525	553	589	640	637	623	782	1,214	1,278
Emergency medical responses	1,701	1,764	1,875	1,896	1,949	2,144	2,224	2,175	2,441	2,692
Community services - Public Works										
Refuse collected (tons)	4,400	4,500	4,625	4,750	4,880	5,000	4,996	5,853	5,267	5,407
Recycling (tons)	2,475	2,600	2,750	2,820	2,875	2,060	2,823	3,017	4,255	3,036
Streets resurfaced (miles)	4.0	5.5	5.5	5.5	5.5	6.0	4.5	13.1	8.0	2.6
Potholes repaired	-600	-600	-600	-600	-600	-600	-600	-550	-600	-1,500
Public Library										
Volumes in collections	89,018	95,347	96,243	94,274	99,992	101,114	99,321	100,247	103,884	104,004
Total volumes borrowed	252,940	242,061	247,757	265,225	267,448	274,052	270,692	278,396	279,332	290,402
Human Services - General Assistance										
Number of contacts	NA	1,960	1,949	2,366	2,421	3,328	3,935	4,956	4,010	4,763
Applicants	NA	435	386	456	580	610	650	698	664	685
Assisted cases	NA	273	277	386	453	479	487	536	521	532
Water system:										
Water main breaks	NA	NA	NA	NA	NA	NA	4	2	13	18
Daily average consumption (millions of gallons)	2.3	2.1	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3
Peak daily consumption (millions of gallons)	3.9	3.2	3.5	3.9	3.4	3.2	3.4	3.4	3.6	3.6
Sewage System:										
Daily average treatment (millions of gallons)	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.8	2.8	2.9

Data Source:

Various city departments

Notes:

(1) Calendar year ending during the fiscal year

City of Dover, New Hampshire

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of patrol units	10	10	10	10	10	10	10	10	10	10
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks	2	2	2	2	2	1	1	1	2	2
Number of pumps	4	4	4	4	4	4	4	4	3	3
Number of support vehicles	7	7	7	6	5	5	5	5	6	6
Number of ambulances	3	3	3	3	3	3	3	3	3	3
Community Services - Public Works										
Miles of streets	129	129	129	130	131	131	131	132	132	133
Miles of storm drains	55	56	56	56	57	57	64	65	67	67
Number of street lights	1,750	1,775	1,800	1,825	1,831	1,836	1,770	1,773	1,773	1,777
Number of bridges	10	11	11	11	11	11	11	11	11	11
Recreation:										
Community centers	1	1	2	2	2	2	2	2	1	1
Number of parks	15	15	15	15	16	17	18	18	18	18
Park acreage	210	210	210	210	236	250	274	274	274	274
Playgrounds	9	9	9	9	10	11	11	12	12	12
Baseball/softball fields	6	6	6	7	8	10	10	10	10	10
Football/soccer fields	4	4	4	4	5	7	7	7	7	7
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	9	9	9	9	9	9	9	9	9	9
Indoor gyms	1	1	2	2	2	2	2	2	1	1
Indoor ice skating sheets	1	1	2	2	2	2	2	2	2	2
Water system:										
Miles of water mains	128	130	132	133	133	134	148	149	151	155
Number of service connections	7,220	7,350	7,450	7,500	7,656	7,900	7,993	8,040	8,124	8,156
Storage capacity in gallons (millions of gallons)	5	5	5	5	5	5	5	5	5	5
Maximum daily capacity of plant (millions of gallons)	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	4	5
Number of fire hydrants	NA	NA	NA	NA	960	960	967	1,050	1,093	1,967
Sewage System:										
Miles of sanitary sewers	85	85	86	112	112	112	117	117	120	120
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	6,001	6,100	6,260	6,387	6,488	6,700	7,154	7,215	7,332	7,398
Maximum daily capacity of treatment (millions of gallons)	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	5	5

Data Source:

Various city departments

City of Dover, New Hampshire

City Government Employees by Function - Full Time Equivalents

Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Executive	10.1	10.9	12.2	11.8	12.7	11.4	13.5	12.6	12.9	13.7
Finance	13.3	14.5	15.5	15.7	15.7	16.0	16.0	16.0	16.0	16.0
Planning	8.4	8.6	8.9	8.9	9.5	10.0	10.0	10.6	10.6	9.6
Total General Government	31.8	34.1	36.6	36.4	37.8	37.4	39.5	39.2	39.5	39.3
Public Safety										
Police - Sworn Officers	43.3	48.4	51.5	53.6	54.6	54.6	54.6	55.7	52.6	50.5
Police - Non-sworn employees	21.8	21.8	22.8	23.5	24.0	24.0	24.5	25.6	27.1	27.6
Total Police Department	65.0	70.2	74.3	77.1	78.7	78.7	79.1	81.3	79.7	78.1
Fire and Rescue	47.5	47.5	48.6	48.9	48.9	50.3	50.3	54.6	54.6	54.6
Total Public Safety	112.5	117.7	122.9	126.0	127.6	128.9	129.5	135.8	134.3	132.7
Public Works										
General Fund functions (1)	40.7	40.6	43.3	44.5	44.6	43.5	43.4	43.8	39.4	38.5
Water	11.5	13.5	12.5	13.5	13.5	13.5	13.5	13.5	13.0	13.0
Sewer (2)	8.5	17.0	17.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Fleet maintenance	5.5	5.5	5.9	5.9	5.9	5.9	6.0	6.0	5.7	5.0
Total Public Works	66.2	76.6	78.7	79.9	80.0	78.9	78.9	79.3	74.2	72.5
Culture and Recreation										
Recreation (1)	28.4	29.7	35.8	36.7	36.5	33.8	34.4	33.5	33.1	34.9
Public Library	13.9	14.9	15.1	15.4	15.7	15.6	15.5	15.8	15.8	14.8
Total Culture and Recreation	42.2	44.6	51.0	52.1	52.1	49.3	49.9	49.2	48.9	49.7
Human Services										
Welfare (3)	4.4	4.5	4.5	5.4	5.4	5.4	5.3	2.8	2.8	2.8
Total Human Services	4.4	4.5	4.5	5.4	5.4	5.4	5.3	2.8	2.8	2.8
Total All Functions	257.2	277.5	293.7	299.7	302.9	299.9	303.0	306.4	299.5	297.0
Percent of Total										
General Government	12.4%	12.3%	12.5%	12.2%	12.5%	12.5%	13.0%	12.8%	13.2%	13.2%
Public Safety	43.8%	42.4%	41.8%	42.0%	42.1%	43.0%	42.7%	44.3%	44.8%	44.7%
Public Works	25.7%	27.6%	26.8%	26.6%	26.4%	26.3%	26.0%	25.9%	24.8%	24.4%
Culture and Recreation	16.4%	16.1%	17.4%	17.4%	17.2%	16.5%	16.5%	16.1%	16.3%	16.7%
Human Services	1.7%	1.6%	1.5%	1.8%	1.8%	1.8%	1.7%	0.9%	0.9%	0.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Budgeted Positions per City of Dover Budget. Full time equivalent based on 40 hours per week.

Notes

- (1) A reorganization of personnel occurred in 1996 concentrating maintenance workers to Public Works.
- (2) The operations of the Wastewater Treatment Plant were taken over from a private firm in 2000 after a 5 year contract.
- (3) The Youth Resource Div of Human Services was transferred to the Police Dept in FY06.

City of Dover, New Hampshire

School Building Information Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Garrison Elementary										
Square feet	49,678	49,678	49,678	49,678	49,678	49,678	55,178	65,938	65,938	65,938
Teachers	34.5	35.5	30.6	31.0	30.0	31.3	24.9	25.5	31.5	31.5
Capacity	612.5	612.5	612.5	612.5	612.5	612.5	672.5	672.5	672.5	672.5
Enrollment	611.0	624.0	496.0	496.0	440.0	428.0	400.0	379.0	512.0	523.0
Horne Street Elementary										
Square feet	39,914	39,914	39,914	48,236	48,236	48,236	48,236	48,236	48,236	48,236
Teachers	24.5	25.5	20.6	22.8	25.3	23.8	26.4	24.4	22.4	22.4
Capacity	567.5	567.5	567.5	612.5	612.5	612.5	612.5	612.5	612.5	612.5
Enrollment	431.0	440.0	348.0	334.0	391.0	435.0	447.0	474.0	358.0	370.0
Woodman Park Elementary										
Square feet	73,108	73,108	73,108	73,108	73,108	73,108	73,108	73,108	105,178	105,178
Teachers	32.5	33.5	29.5	26.0	33.0	27.5	29.8	30.8	32.3	32.3
Capacity	477.5	477.5	477.5	477.5	477.5	477.5	477.5	477.5	594.0	594.0
Enrollment	528.0	528.0	433.0	446.0	462.0	479.0	460.0	454.0	468.0	482.0
Totals All Elementary Schools										
Square feet	162,700	162,700	162,700	171,022	171,022	171,022	176,522	187,282	219,352	219,352
Teachers	91.5	94.5	80.7	79.8	88.3	82.6	81.1	80.7	86.2	86.2
Capacity	1,657.5	1,657.5	1,657.5	1,702.5	1,702.5	1,702.5	1,762.5	1,762.5	1,879.0	1,879.0
Enrollment	1,570.0	1,592.0	1,277.0	1,276.0	1,293.0	1,342.0	1,307.0	1,307.0	1,338.0	1,375.0
Dover Middle School (1)										
Square feet	101,000	164,000	164,000	164,000	175,020	175,020	175,020	175,020	175,020	175,020
Teachers	54.5	47.0	66.0	67.0	69.2	73.5	67.7	75.0	72.9	72.9
Capacity (2)	NA	1,220.0	1,220.0	1,220.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0
Enrollment	777.0	778.0	1,034.0	1,086.0	1,137.0	1,142.0	1,098.0	1,082.0	1,109.0	1,116.0
Dover High School										
Square feet	215,975	215,975	215,975	215,975	226,735	226,735	226,735	226,735	226,735	226,735
Teachers	85.8	85.8	96.7	102.6	106.8	107.4	110.6	110.4	116.8	116.8
Capacity	1,600.0	1,600.0	1,600.0	1,600.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0
Enrollment	1,550.0	1,587.0	1,682.0	1,670.0	1,682.0	1,742.0	1,658.0	1,866.0	1,779.0	1,692.0
Totals All Schools										
Square feet	479,675	542,675	542,675	550,997	572,777	572,777	578,277	589,037	621,107	621,107
Teachers	231.8	227.3	243.4	249.4	264.3	263.5	259.4	266.1	275.9	275.9
Capacity (2)	3,257.5	4,477.5	4,477.5	4,522.5	4,842.5	4,842.5	4,902.5	4,902.5	5,019.0	5,019.0
Enrollment	3,897.0	3,957.0	3,993.0	4,032.0	4,112.0	4,226.0	4,063.0	4,255.0	4,226.0	4,183.0
Food Service - All Schools										
Number Meals Served	NA	313,463	310,365	336,015	341,679	352,406	351,783	333,139	340,863	335,834
Avg Daily Participation	NA	1,741	1,724	1,867	1,898	1,958	1,954	1,851	1,894	1,866

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

Notes

- (1) In 2001 a new Middle School replaced the Junior High School/Middle School. Grades changed from 6th through 8th to 5th through 8th.
 (2) Capacity of old Middle School is not known.

City of Dover, New Hampshire

School Department Operating Statistics Last Ten Fiscal Years

Fiscal Year	Operating Budget (1)	Debt Service (1)	Total Budget	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Attendance Percentage
2008	37,912,706	3,689,854	\$ 41,602,560	4,183	\$ 9,946	7.8%	275.0	15.2	95.2%
2007	36,203,218	2,799,270	39,002,488	4,226	9,229	6.2%	275.9	15.3	94.6%
2006	34,363,074	2,598,888	36,961,962	4,255	8,687	2.3%	266.1	16.0	94.5%
2005	32,065,504	2,448,119	34,513,623	4,063	8,495	8.0%	259.4	15.7	95.2%
2004	30,922,459	2,316,331	33,238,790	4,226	7,865	1.3%	263.0	16.1	94.8%
2003	29,751,613	2,178,843	31,930,456	4,112	7,765	5.0%	264.3	15.6	95.0%
2002	27,670,695	2,148,055	29,818,750	4,032	7,396	11.0%	249.4	16.2	NA
2001	24,653,632	1,941,623	26,595,255	3,993	6,660	15.5%	243.4	16.4	NA
2000	21,939,513	887,297	22,826,810	3,957	5,769	9.4%	227.3	17.4	NA
1999	19,926,440	626,272	20,552,712	3,897	5,274	0.2%	231.8	16.8	NA

Data Source:

Budget information from City Adopted Budget and non-financial information provided by the School Department.

Notes:

- (1) Budget is for the General Fund only and excludes grant funds and cafeteria.
- (2) Enrollment is based on start of year census.

City of Dover, New Hampshire

School Educational and Service Information

Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dover High School										
Senior Enrollment (1)	294	298	329	314	344	357	355	353	411	393
Status of Seniors (2)										
Graduated	245	258	292	287	333	352	336	335	372	366
Enrolled in four-year college	115	120	123	121	160	143	141	140	167	162
Enrolled in two-year college	35	53	49	54	57	68	74	60	76	84
Enlisted in Armed Forces	7	7	10	12	11	16	10	10	5	18
Post-secondary, workforce or other	88	78	110	100	105	125	104	125	124	102
SAT Mean Scores										
Verbal	NA	524	497	508	519	515	518	503	518	512
Math	NA	513	499	510	518	511	516	504	520	517
% of Seniors taking test	NA	70%	63%	62%	65%	65%	65%	62%	61%	62%

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

NOTES:

- (1) As of Official DOE Reporting Date: Oct 1st. Enrollment includes tuition students.
- (2) As of end of fiscal year.

New Hampshire State Library



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